



## **Form ADV Part 2A Disclosure Brochure**

*Effective December 26, 2023*

SEC File No. 801-50939

Avantax Planning Partners, Inc.

This Form ADV Part 2A Disclosure Brochure provides information about the qualifications and business practices of Avantax Planning Partners, Inc., which uses the trade name Avantax Planning Partners. If you have any questions about the contents of this brochure, please contact us at (972) 870-6000.

This information has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Additional information about Avantax Planning Partners is also available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that registration as an investment adviser is required by securities law and does not imply a certain level of skill or training. You should review this brochure and consider its contents before appointing Avantax Planning Partners as your investment adviser.

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## Item 2: Summary of Material Changes

Avantax Planning Partners<sup>SM</sup> (“APP”) periodically updates its Form ADV Part 2A Disclosure Brochure to reflect updates, clarifications, and/or material changes that are relevant to the investment advisory programs or other services that APP offers. Pursuant to regulatory requirements, applicable to fiduciary investment adviser firms, APP is required to notify you of these changes. The following is a summary of the changes that have occurred, and have not previously been reported to you, since our last update in March 2022:

- ❖ As of January 26, 2023 – Blucora, Inc. (the parent company of APP) has renamed itself “Avantax, Inc.” Additionally, as a result of this name change, its Nasdaq stock symbol has been changed from “BCOR” to “AVTA”.
  - **As of November 27, 2023, Avantax, Inc. was acquired by Aretec Group, Inc. As a result, Avantax, Inc. became a privately held company, and its stock is no longer traded on Nasdaq. Additionally, APP’s ownership structure changed, and it became affiliated with Cetera Financial Group, Inc. (“Cetera Financial Group”), an indirect subsidiary of Aretec, as more fully described in Item 4 and Item 10.**
- ❖ As of December 31, 2022, APP managed \$5,445,287,605 of Client assets on a discretionary basis (11,562 accounts) and \$11,200,862 of Client assets on a non-discretionary basis (8 accounts) for a total of \$5,456,488,468 in assets under management and 11,570 accounts in its various advisory programs.

Additional editorial and non-material changes were made throughout the Brochure.

### How to Obtain a Copy of Our Brochure

Additional copies of our Brochure are available without charge at the SEC’s website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or at our website, [www.avantaxplanningpartners.com/](http://www.avantaxplanningpartners.com/). You may also make a written request for copies of our Brochure (and/or the Brochure Supplement(s) of our licensed Advisory Professionals) to our corporate office by postal mail at 3390 Asbury Road, Dubuque, Iowa 52002, by email at [info\\_planningpartners@avantax.com](mailto:info_planningpartners@avantax.com), or by phone at 800-791-8994 (toll free) or 563-582-2855.

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## Item 4: Advisory Business

Pursuant to SEC Rule 204-3 promulgated under the Investment Advisers Act of 1940, as amended (“Advisers Act”), Avantax Planning Partners, Inc. presents this Form ADV Part 2A Disclosure Brochure (“Brochure”), which provides the required Form ADV Part 2A disclosures.

### Our Assets Under Management

As of December 31, 2022, APP managed \$5,445,287,605 of Client assets on a discretionary basis (11,562 accounts) and \$11,200,862 of Client assets on a non-discretionary basis (8 accounts) for a total of \$5,456,488,468 in assets under management and 11,570 accounts in its various advisory programs.

### Our Firm

Avantax Planning Partners, Inc., also doing business as Avantax Planning Partners<sup>SM</sup> and Avantax Retirement Plan Services (“us”, “we”, “our”), is an independent investment adviser registered with the SEC under the Advisers Act. As a fiduciary under the Advisers Act, we owe a duty to act in the best interests of our clients (“Client”, “you”, “your”) and must disclose any conflicts that might limit or prevent us from meeting that duty.

Avantax Planning Partners<sup>SM</sup>, a professional corporation established under the laws of Iowa, is directly owned by Spirit Acquisitions, LLC, a wholly-owned subsidiary of Avantax WM Holdings, Inc. that is wholly owned by Project Baseball Sub, Inc., that is directly owned by Avantax Holdings, LLC. Avantax Holdings, LLC is directly owned by Avantax, Inc. As a result, Avantax Planning Partners<sup>SM</sup> is an indirect subsidiary of Avantax, Inc. Our common-control financial institution affiliates through Avantax, Inc. include: Avantax Investment Services<sup>SM</sup>, a SEC-registered broker-dealer, and Member FINRA and SIPC (“AIS”), Avantax Advisory Services, Inc., a SEC-registered investment adviser (“AAS”), and Avantax Insurance Services, LLC. & Avantax Insurance Agency, LLC., licensed insurance agencies (collectively, the “Avantax Wealth Management Entities”).

As of November 27, 2023, Avantax, Inc. was acquired by Aretec Group, Inc. As a result, Avantax, Inc. became a privately held company, and its stock is no longer traded on Nasdaq. Additionally, Avantax Planning Partners<sup>SM</sup> became affiliated with Cetera Financial Group, Inc. (“Cetera Financial Group”), an indirect subsidiary of Aretec. For more information on our other financial industry activities and affiliations, see **Item 10**.

Avantax Planning Partners<sup>SM</sup> collaborates with independent, nonaffiliated certified public accounting firms (“CPA firms”) and their accounting professionals (“CPAs”) to help make personal financial planning and tax-smart investing an essential part of their firm’s bundle of service offerings and help provide their clients with a more holistic wealth management experience. We provide investment advisory services to individuals, families, trusts & estates, business entities, and charitable organizations, among others, and our consultative approach involves combining asset management, retirement planning, insurance planning, and estate planning with tax planning.

### Our Financial Professionals

Most of our client relationships originate from referrals made to us by those CPAs with whom we collaborate. Many of those CPAs also register with us as investment advisor representatives (“IAR”) and execute an agreement with us whereby they earn a share of the asset-based management fee generated from the services provided to clients.

Certain of our employees, known as financial planning consultants (“FPCs”), work with CPA firms and IARs by serving as your primary advisor and helping to provide services specific to your wealth management needs. FPCs are generally individuals with financial services experience who prefer a more consultative and collaborative approach to the delivery of investment advisory services versus a more sales-driven or transactional approach. FPCs are assigned to one or more CPA firms, typically by geographical region, and help them and their IARs with delivering services in their respective regions. We have FPCs located in Dubuque as well as in several other branch locations throughout the Midwest, Northern Plains, and the Southeast. We continue to add resources in the areas of technology, portfolio reviews, proposals, and client onboarding to help support the IARs and FPCs (collectively, “Advisory Representatives”).

Other employees working behind the scenes help to support our Advisory Representatives in delivering our services and advice to you. Internal analysts help assemble, review, and monitor the individual components of client investment portfolios. Financial planners design investment proposals and financial plans, especially for those clients with unique needs. And traders perform all transaction activity for our clients’ advisory accounts as a centralized trading desk. Our Advisory Representatives, together with our internal analysts, financial planners, and traders (collectively, “Financial Professionals”), make up your wealth management team.

We have established our Investment Advisory Committee (“IAC” or “Committee”), a centralized decision-making body that

serves to standardize the implementation of our investment processes and philosophy in order to help better ensure that we are delivering our services with the same standard of care across all our clients - no matter the Advisory Representative acting on our behalf. The Committee is headed by our Chief Investment Officer, and while the official Committee members consists of individuals with substantial industry experience as well as highly technical and professional qualifications, all Financial Professionals across our firm are encouraged to participate in IAC meetings and offer their own perspectives. The

Committee is primarily responsible for monitoring the current state of the economy and markets, researching and selecting the various investments and investment strategies for our portfolio models, and analyzing the performance of our models.

You can find additional details concerning your licensed Financial Professionals in their respective Brochure Supplement(s). Please see the section *Summary of Material Changes* of this Brochure for instructions on how to request copies of Brochure Supplements.

## **Our Investment Advisory Services**

### **Managed Accounts**

Through execution of the Discretionary Asset Management Agreement (“DAMA”), you appoint us to provide discretionary management of your assets according to your objectives. Client assets are custodied in brokerage accounts that we open on your behalf at broker-dealers offering custody platforms to independent advisors such as our firm. You also execute separate written agreements with your applicable custodian.

We carefully tailor your portfolio according to your personal needs and unique circumstances. Our Advisory Representatives first assess your personal situation, financial goals, risk tolerances, liquidity needs, tax impact, and time horizon by way of an information-gathering process, review of your current portfolio, and approved collaboration with your CPA and other professional advisor(s), with the goal of finding an asset allocation structure that is most suitable to you. Our objective is to optimize your portfolio’s performance and diversification, while at the same time reducing your overall risk exposure and tax liability. We do not guarantee that you’ll achieve your particular objectives, but we do preach that you can benefit by planning for the long term and by not chasing short-term profits. Portfolios may have some customization designed specifically for you, including individual stocks, bonds and/or other securities. The balance of stock and bond exposure for each client portfolio will depend on your instructions included in your Investment Policy Statement (“IPS”). Portfolio construction can also take into consideration investments that you hold outside of our firm (for example, your family business). You may place restrictions on certain securities or the types of securities that we utilize for your portfolio. Your instructions are recorded in your IPS. Each IPS is reviewed and updated with you based on an agreed upon schedule.

Once your IPS has been prepared and your portfolio constructed, we utilize the discretionary authority you grant to us to manage your assets. We utilize equity and income models that contain recommended allocations to various styles and categories of securities. The Committee may recommend strategic adjustments to style allocations based on changing market conditions. In addition, the Committee monitors and adjusts investment vehicles that represent each style based on style weighting changes or relative performance to peers. Internal analysts then regularly monitor these investments to verify that they continue to meet the performance criteria set forth by the IAC.

We will consider other investments, such as derivatives, callable bonds and certificates of deposit, by request and on a case-by-case basis and may choose not to implement them if we believe they are inconsistent with your IPS, or our overall management style.

Rebalancing helps ensure that the allocation determined to be appropriate to your needs continues to be reflected in your account(s). We will establish the frequency of rebalancing for your portfolio. Also, our Advisory Representatives will meet with you as frequently as needed to review and, where appropriate, adjust your allocation and/or IPS. We will review your progress towards your stated goals, including the accuracy of those goals in light of changes to your own personal circumstances as well as to the current economic environment and market outlook. Adjustments will be made to your IPS and/or asset allocation, if appropriate. *See Item 13: Review of Accounts for more details.*

### **Compass**

We also offer Compass, an automated investment program through which clients are invested in a range of investment strategies that we have constructed and manage, each consisting of a portfolio of ETFs and a cash allocation. Clients may instruct us to exclude up to three ETFs from their portfolio. Client portfolios are held in a brokerage account opened by clients at Charles Schwab & Co., Inc. (“CS&Co”). We use the Institutional Intelligent Portfolios® platform (“IIP Platform”), offered by Schwab Performance Technologies (“SPT”), a software provider to independent investment advisers and an affiliate of CS&Co., to operate the Program. We are independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (collectively, “Schwab”). We, and not Schwab, are the client’s investment

adviser and primary point of contact with respect to Compass. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of Compass for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. We have contracted with SPT to provide us with the IIP Platform, which consists of technology and related trading and account management services for Compass. The IIP Platform enables us to make Compass available to clients online and includes a system that automates certain key parts of our investment process (the "System"). Based on information the client provides to us, we will recommend a portfolio via the System. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

We charge clients a fee for our services as described below under *Item 5: Fees and Compensation*. Our fees are not set or supervised by Schwab. Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

We do not pay SPT fees for the IIP Platform so long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in Compass. If we do not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in Compass. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in Compass be maintained with CS&Co.

### **Third-Party Money Managers**

Some of our clients may also utilize independent third-party money managers ("MM"), made available through the separately managed account ("SMA") programs offered through CS&Co. In appropriate cases, these MMs offer specialized asset management expertise or services that we utilize to manage all or a portion of the client's portfolio. Once selected, these MMs are granted discretionary authority for that portion of a client's assets placed with them, are subject to a fiduciary duty to choose and manage investments prudently for the client, including the development of an appropriate investment strategy, and must buy and sell securities to meet those goals (subject to restrictions imposed by the client). Clients may contract directly with the MM, or through a three-party agreement with both us and the MM.

SMA programs allow certain clients to obtain portfolio management services that typically have higher minimum account sizes if the client had engaged the MM off-platform or outside of the program. We have no authority to affect the trading decisions of these MMs once a client decides to participate in these programs, and can only choose whether to engage or terminate the MMs. We may replace MMs on behalf of clients that have given us the discretionary authority to do so. Accounts that have discretionary authority allow us to choose or change any MMs approved for a given platform, without additional approvals from the client. Our internal analysts will evaluate the MMs and investment vehicles to determine whether that MM is suitable for the client, given the appropriate style and allocation. In addition, the IAC performs ongoing due diligence of each individual MM's performance and management, continuously reviews the client's account for adherence to objectives outlined with the MM, and will reallocate assets among MMs, if necessary.

Each MM maintains a separate disclosure document outlining their investment vehicles, which is provided to clients. Clients should carefully review these disclosure documents for important and specific details including, among other things, fees, experience, investment objectives and risk guidelines, and disclosure of the MMs' potential conflicts of interest. We do not receive compensation directly or indirectly from these MMs. Our fee is in addition to those of the MM.

### **Fee-Based Planning Only**

We offer fee-based financial planning only services for those clients that desire to work with us, but opt not to receive discretionary management of their assets through our investment advisory services. Clients opting for this service will execute a written agreement with us for an agreed upon fee rate. Following roughly the same information-gathering process used for our investment advisory services, our Advisory Representatives will generate a comprehensive financial summary of that client's present financial situation, utilizing a planning software supplied by a third-party vendor, and

deliver this financial plan to the client. Once the plan has been delivered, our obligations end and the arrangement terminates - unless the client opts for periodic review of the plan.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

### **Our Retirement Plan Services**

*Overview.* Through our wealth management division, Avantax Retirement Plan Services (“RPS”), we make our investment advisory services available to employer-sponsored retirement plans, such as 401(k) plans and profit-sharing plans, and other plan services, which may vary by plan client, but primarily include: plan design, recordkeeping, and employee support services.

*Discretionary Asset Management.* We act as the ERISA Section 3(38) fiduciary “investment manager” for plan sponsors, and as an ERISA Section 3(21) to the plan participants. We, in turn, acknowledge our status as a fiduciary and assume such fiduciary duties, responsibilities, and obligations.

*Plan Participant Services.* Our RPS team provides optional education and enrollment assistance to plan participants, including guidance on plan investment options and asset allocation models.

*Plan Administrator Support Services.* RPS offers non-fiduciary administrative and recordkeeping services to our plan sponsors that are ERISA Section 3(16) fiduciaries (i.e., plan administrators) for their respective plans, including:

- Conducting plan sponsor executive reviews
- Designing the plan
- ERISA compliance testing
- Preparing IRS and DOL filings
- Tracking participant vesting
- Monitoring for legislative and regulatory updates
- Drafting and updating the plan document
- Allocating employer contributions
- General plan guidance

In addition, RPS may assist plan sponsors by providing other “ministerial” services, such as mailing of notices, mailing of new hire enrollment kits, and other related tasks.

### **Our Additional Services**

#### **Avantax Investment Services<sup>SM</sup>**

We offer our clients access to securities, including individual stocks and bonds, mutual funds, variable annuities and alternative investments, held in brokerage and direct-to-fund (“DTF”) accounts with the registered broker-dealer, Avantax Investment Services<sup>SM</sup> (“AIS”), Member FINRA, SIPC. While we are not a broker-dealer, we are under common control ownership with AIS, and several of our Advisory Representatives are also registered as securities representatives of AIS (“AIS RRs”). Through our AIS RRs, you are provided with the option to invest your assets in managed accounts with us and/or non-discretionary accounts with AIS. When AIS RRs meet with you to evaluate your goals, their evaluation will include whether your investment objectives might be better met by investing some (or all) of your assets in an AIS non-discretionary brokerage account. Factors considered might include the anticipated size of your account, your preferred trading strategy (e.g., buy & hold), and the availability of suitable products on the AIS platform, among other factors pertinent to your unique circumstances. Please see *Item 10: Other Financial Industry Activities and Affiliates* for a more detailed discussion of the potential conflicts posed by our relationship with AIS. Please also see *Item 5: Fees and Compensation* for more information on the commissions generated from brokerage and DTF accounts.

#### **Avantax Advisory Services<sup>SM</sup>**

We are also under common control ownership with the registered investment adviser, Avantax Advisory Services<sup>SM</sup> (“AAS”). Those internal analysts and financial planners making up your wealth management team have registered as investment adviser representatives of both our firm and AAs. And few of our employee Financial Professionals are currently registered as investment adviser representatives of AAS and offer investment advisory services solely through AAS.

**Insurance Agencies**

We offer our clients access to fixed insurance products, including life & health insurance, annuities, disability income insurance, and long-term care insurance, through insurance planning as part of their overall wealth management strategy. We have been appointed as a general agency by a variety of insurance carriers, selected for their high-quality products and services. Several of our Advisory Representatives have obtained their insurance licenses and have been appointed as brokers for some of the same insurance carriers.

**Item 5: Fees and Compensation**

**For Investment Advisory Services**

**Managed Accounts**

Our annual fee is based upon a percentage of assets under management and generally range between 0.70% to 1.50%. We collect a percentage of your assets under our management for each managed account at the beginning or end of a calendar quarter (“Management Fee” or “Fee”). Our maximum fee is illustrated below:

Assets Under Management	Management Fee
\$1,000,000 and Under	2.50% (Maximum)
Over \$1,000,000	Negotiable

We have account and fee minimums. We impose a minimum annual fee of \$3,000 for certain accounts custodied with CS&Co. We may negotiate our fee on individual accounts - and for households with multiple accounts - that exceed one million dollars (\$1,000,000) in total assets under our management. All accounts pay less than the maximum fee. The fee schedule attached to the DAMA provides more details on the exact amount you will pay, how we calculate it, and whether you pay it in advance or in arrears.

Unless certain circumstances arise, you will pay our Management Fee in arrears as of the last day of each calendar quarter. We compute our Fee as a percentage of the fair market value of those assets in your managed account, as specified in your DAMA, divided by the number of days in that year, and then multiplied by the total number of days in that prior quarter. Any cash flowing in and out of your account during the quarter is prorated for billing purposes. We generally ensure that your managed account has enough cash to cover those fees. With our approval, you may be invoiced for our Fee and pay by check.

If you terminate your advisory relationship with us before the end of a quarterly billing period, we will prorate your Management Fee for only those days that we rendered services to you, including the day we received your termination notice. We will charge you for the number of management days in the period, divided by ninety (90), times your Fee rate, divided by four, and then times your balance at the beginning of the quarter. Depending on the notice you provide, we will either debit the Fee from your account for the remaining days in the period or invoice you directly.

In addition to our Fee, you are also responsible for the other types of fees and expenses associated with the mutual funds, ETFs and other securities we select for your managed account. Fund managers assess their fees and expenses against fund investments. When possible, we prefer mutual funds with low expense ratios that contain no load or load-waived expenses. We also prefer lower expense ETFs that are free of trading costs when prudent. Some mutual funds have early redemption charges and short-term trading fees. We avoid incurring these costs when reasonably possible. If you purchase certain ETFs, mutual funds or individual securities, you may also incur brokerage and other related transaction costs. You may also incur termination fees and wire fees.

Neither we nor any of our supervised persons (which includes all our Advisory Representatives and employees) receive or accept compensation for the sale of securities or other investment products (including asset-based sales charges or service fees from the sale of mutual funds) inside your managed account. Our revenue from advisory relationships comes from our Management Fees and not from transaction-specific commissions, markups, and other compensation from the sale of investment products. Furthermore, we do not charge or receive commissions or markups on bonds and other securities we may buy for your managed account. We strive to buy these assets at the best possible price by comparing prices from multiple sources. When possible, we will aggregate purchases to achieve better pricing. Please see *Item 12: Brokerage Practices* for more detailed information concerning custodial trading practices.



## Compass

As described in *Item 4: Advisory Business*, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co as part of our Compass program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™, Schwab Funds® and Laudus Funds® that we select to buy and hold in the client's brokerage account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are described further in *Item 12: Brokerage Practices*.

**Third Party Money Managers.** There are two different arrangements for custodial fees at Schwab: Asset-Based Pricing ("ABP") and Transaction-Based Pricing ("TBP"). The ABP method assesses fees based on the value of the portfolio, rather than on individual transactions, and TBP charges a fee per each trade placed in the account. More information concerning custodial fees for third party money manager arrangements can be located in the MM's investment management agreement.

## For Retirement Plan Services

The maximum fee schedule for services provided to Employer-Sponsored Retirement Plans is as follows:

Asset Management	Negotiable up to 1.5% of plan assets.
Custodial and Administrative Fees	Customized and separately disclosed per plan.

Fees for custodial trading services are based on an agreement between us and Fidelity Brokerage Services, LLC. ("FBS") and represent a pass-through of the fees assessed by FBS. Services include registration and custody of all plan securities, access to FBS's mutual fund platform, an automated trading link that integrates with the recordkeeping system that we use, and other miscellaneous services. These fees are paid from the plan assets or billed to the plan sponsor. Fees are charged pro rata each quarter. We separately disclose to plan sponsors and participants various plan costs and fees via a services agreement - as required by the Department of Labor.

Fees are collected, in arrears, unless otherwise indicated in your RPS agreements. If you terminate your advisory relationship with us before the end of a quarterly billing period, your Management Fee will be prorated for only those days that we rendered services to you, including the day we receive notice. We will charge for the number of management days in the period, divided by ninety (90), times your fee rate, divided by four, times your balance at the beginning of the quarter.

Neither we nor any of our supervised persons receive or accept compensation for the sale of securities or other investment products (including asset-based sales charges or service fees from the sale of mutual funds) inside your retirement plan account. For example, mutual fund companies utilizing FBS's fund platform may provide special payments for services that benefit those companies, commonly referred to as "revenue sharing". The amount paid by a fund company is reflected in that fund's expense ratio, and may include sub-transfer agent fees, 12b-1 fees, and fund administration fees, among others. Through our agreement with FBS, all the revenue sharing paid to FBS is passed through to us. We then deposit these payments to a separate ERISA account for each retirement plan. It is our policy and practice that all such payments be used to the ultimate benefit of the plan participants; specifically, payments are applied to offset quarterly charges for services we provide. See appendix C of your plan's service agreement for more details.

## For Our Additional Services

### Commissions Earned from the Sale of Securities or Insurance Products

Advisory Representatives also registered as AIS RRs can offer securities products for nondiscretionary brokerage and/or DTF accounts through Avantax Investment Services<sup>SM</sup> (and held in a separate brokerage account with National Financial Services, Inc. and/or directly by fund companies) and/or sell insurance products underwritten by independent insurance carriers. Such transactions will generate commissions (and possible ongoing trails), which are paid by the client and earned by our AIS RRs. Selling securities or insurance products for a commission presents a potential conflict of interest, giving us and our Advisory Representatives an incentive to recommend products based on the compensation receive, rather than on

your needs. We address any potential conflict by fully disclosing and discussing how these products may help you achieve your objectives, as well as possible alternatives, benefits, and costs. We do not exercise discretion on such transactions. AIS RRs that are salaried employees of the firm are not paid the commissions generated; the commissions are retained by AIS. Any commissions earned by non-employee AIS RRs relating to such transactions will be disclosed to our clients before and during the transaction using formal disclosure forms. Clients will not be charged an additional asset-based management fee for commissions we receive for the transactions. Concerning AIS brokerage and DTF accounts, all transactions are reviewed for suitability by a registered supervisory principal of AIS. Concerning fixed insurance products, we are subject to state regulatory requirements concerning sales practices and suitability.

#### **Fee-Based Planning**

Fees for financial planning only engagements are negotiable and might depend upon the level and scope of the services required as well as the Advisory Representative providing the services. Fees will typically range from \$1,000-\$5,000 on a fixed basis, or \$150-\$300 on a per hour basis. Clients are typically invoiced at the end of the engagement, although we may request an initial deposit. Clients opting for ongoing planning services, such as annual updates, are typically invoiced after each separate planning session. Clients pay fees directly rather than through a direct debit of accounts. Such clients also have the option to purchase products that we recommend through other brokers or agents not affiliated with us, which may charge the same or different amount for fees than us.

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

We do not - nor do any of our Advisory Representatives - accept performance-based fees. In addition, we do not engage in side-by-side management.

### **Item 7: Types of Clients**

We provide investment advisory services to individuals, pension & profit-sharing plans (and their participants), trusts, estates, foundations & endowments, charitable organizations, and business entities.

For our discretionary asset management services, we generally do not accept clients with investable assets less than \$50,000 because of practical considerations in managing such smaller accounts. For example, certain mutual funds impose a minimum account balance, which limits our ability to properly allocate or rebalance an account across multiple asset classes.

Clients eligible to enroll in Compass include individuals, IRAs, and revocable living trusts. Clients that are business entities (such as corporations and partnerships) or government entities, and clients that are subject to ERISA, are not eligible for Compass. The minimum investment required to open an account in Compass is \$50,000.

We use CS&Co as the custodian for accounts of \$200,000 or more, with a minimum annual fee of \$3,000.

We will waive single account minimums for households and for other clients with multiple managed accounts of sufficient aggregate size if it makes business sense for us. We also have additional custodians available if they provide a product or specialty not available through CS&Co.

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

#### **Analysis and Strategies**

Investing in securities inherently involves risk of loss, which you should be prepared to bear. To deal with that risk, we employ four fundamental strategies: (1) allocating assets to meet long-term goals, (2) using broad diversification, (3) holding allocations through market cycles while strategically adjusting style weights, and (4) rebalancing portfolios, when necessary, to ensure that they remain within the selected allocation range.

#### **Asset Allocation**

Studies have shown that asset allocation determines most of your return. Historically, stocks have earned a greater return than bonds, albeit with greater risk. Risk in this sense means price volatility. Therefore, the higher your allocation to stocks, the greater you can expect your long-term return to be, and the greater you can expect your risk exposure to be.

Our Financial Professionals carefully analyze your needs and apply these findings and results to the management of your portfolio. We document these findings and the allocation decision in your IPS.

**Diversification**

Diversification is a major component of Modern Portfolio Theory ("MPT"). MPT is a theory that we consider in our investment management. MPT attempts to maximize portfolio return for a given amount of risk by carefully choosing the proportion of various assets. We believe that it is important to diversify your stock and bond portfolios into different investment styles or segments. For example, a stock portfolio can be diversified into large or small capitalization stocks, growth or value stocks, and domestic or international stocks, while bonds can be diversified into long or short maturities or higher or lower quality bonds. By diversifying into a collection of investment assets that have diverse correlations to each other, we believe we can lower the overall risk of your entire portfolio.

**Holding Through Market Cycles**

We do not believe that you benefit over the long term if we move you in and out of markets based on movements in market cycles (referred to as 'market timing'). We believe attempting to sell out of and buy back into any market is riskier than maintaining an allocation strategy through the cycles. Frequent and excessive trading may increase brokerage and other transaction costs as well as tax liability, while at the same time reducing performance. However, we do believe that value can be added by strategically adjusting the weightings to different asset sectors over various market and economic cycles.

Our Investment Advisory Committee ("IAC") considers information gathered independently as a company, obtained from outside research, and that members obtain on their own. The IAC advises the Chief Investment Officer (CIO) on issues relating to adjusting allocations to different asset segments based on the outlook for the economy and markets. The IAC provides guidance in establishing policies and procedures to ensure proper diversification is achieved in your accounts. The IAC also provides account oversight. See *Item 13: Review of Accounts*.

**Rebalancing**

Because the value of different asset classes held in your portfolio can rise or fall over time, resulting in you falling outside the asset allocation range defined in your IPS, our financial professionals periodically review client accounts to determine if rebalancing - realigning your account back to your defined allocation range - is advisable.

**Other Methods of Analysis**

We use several different investment vehicles in managing your portfolios. We analyze mutual funds and ETFs for their management, performance, and expenses. Manager tenure is important to consider as is fund performance on both a nominal and comparative basis. We compare performance to similar funds, an asset or market sector, and the markets as a whole. We monitor for changes and trends. We also are careful to keep trading costs and fund expenses reasonable.

When using individual securities, we are careful to include best-bid buying of securities, and to employ special orders when buying or selling securities or ETFs on an exchange. For example, limit orders may help secure a security at a marginally lower cost, or secure a minimum price on sale. We may use research from multiple companies when making our decisions on individual investments and funds, such as Bloomberg, Credit Suisse, Morningstar, CS&Co and Standard & Poor's, among others.

We also consider the economic and market climate when buying or selling investments. We may also consider the length of time securities are held in your taxable account to reduce the impact of transactions on your income tax. To improve tax efficiency of your account, we may time purchases and sales to match gains with losses, avoid buying capital gains, defer gains to another year, and to avoid wash sales.

**Risk of Loss**

As a firm that manages for the longer term, there is a material risk that we may hold investments in your accounts during a prolonged period of generally suppressed security prices. We seek to mitigate the risks of this strategy by allocating assets among a wide variety of asset classes. By not attempting to time in and out of market cycles, we believe we are reducing the risk of missing a market turn.

There is a material risk that how we allocate assets among various areas and sectors of markets for any period will produce results below that of the securities markets as a whole. Diversification does not eliminate the potential for loss.

We primarily recommend actively-managed mutual funds and passively-managed ETFs. There is a material risk that we may choose funds that fail to perform as well as their peers, or that we allocate too much or too little to certain funds or market

sectors. The types of risks among various types of funds differ substantially. We diversify to reduce risk of owning specific companies or styles.

## Item 9: Disciplinary Information

Neither we nor any of our related persons have any legal or disciplinary events to disclose that we believe are 'material' to you.

You can always view the CRD registration records for our firm and/or any of our Advisory Representatives through the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or through FINRA's BrokerCheck database online at [www.finra.org/brokercheck](http://www.finra.org/brokercheck) if the Advisory Representative is also registered with Avantax Investment Services<sup>SM</sup>. Our IARD/CRD number is 106237 and the CRD numbers for Advisory Representatives are listed alongside their biographical information in their respective Brochure Supplement document.

## Item 10: Other Financial Industry Activities and Affiliations

### Financial Industry Affiliations

*Controlling Affiliates: Avantax, Inc. & Avantax WM Holdings, Inc.* We are a wholly owned affiliate of Avantax WM Holdings, Inc. and a wholly owned indirect subsidiary of Avantax, Inc. As of November 27, 2023, Avantax, Inc. was acquired by Aretex Group, Inc. As a result, Avantax, Inc. became a privately held company, and its stock is no longer traded on Nasdaq.

*Common Control Affiliates: Avantax Wealth Management Entities.* Affiliates with which we are under common control include AIS, a registered broker-dealer, AAS, a registered investment adviser, and Avantax Insurance Services, LLC. & Avantax Insurance Agency, LLC., licensed insurance agencies. Furthermore, Summit Wealth Advocates, LLC ("SWA"; CRD#151330) was acquired by Avantax WM Holdings, Inc. ("Avantax WM") on June 30, 2023. Avantax WM is an indirect subsidiary of Avantax, Inc. and APP and SWA conduct shared operations and share supervised persons. Specifically, various investment advisor representatives of SWA are also registered as investment advisor representatives with APP. Our clients and prospective clients are not under any obligation to obtain professional services or products (of any kind) from SWA; however, certain services and products made available through APP are from our affiliation with the Avantax Wealth Management Entities. APP's affiliation with AIS, ASS and Avantax Insurance creates a conflict of interest and, in many cases, incentives our Financial Professionals to recommend our affiliates' services and procedures versus other, similar, non-affiliated providers. Additional information about these conflicts of interest is described throughout this Brochure.

*Related Entities: Cetera Related Entities.* As a result of Avantax, Inc.'s acquisition by Aretex Group, Inc., APP became affiliated with Cetera Financial Group, Inc. ("Cetera Financial Group"), an indirect subsidiary of Aretex. Cetera Financial Group owns a network of independent broker-dealers, investment advisers registered with the SEC, and general insurance agencies ("Cetera Related Entities"). These entities may be deemed to be related merely because we share common owners. Currently, APP has (1) no business dealings with the Cetera Related Entities in connection with advisory services we provide; (2) we do not conduct shared operations with the Cetera Related Entities; (3) we do not refer clients or business to the Cetera Related Entities, and the Cetera Related Entities do not refer prospective clients or business to us; (4) we do not share supervised persons or premises with the related persons; and (5) we have no reason to believe that our relationship with the Cetera Related Entities otherwise creates a conflict of interest with our clients. A complete list of related persons is available upon request by contacting our Firm at 972-870-6000.

*Non-Controlling Affiliations: CPA Firms.* We have significant relationships with a number of local and regional CPA firms across the country. We were previously affiliated with one of these CPA firms: Honkamp Krueger and Co., P.C. ("HK"). Some HK employees remain Avantax IARs and receive a share of Fees generated from their CPA clients that have engaged us.

*Custodians.* We have a material relationship with Schwab as the broker-dealer/custodian for our investment advisory services. We have a similar relationship with Fidelity Investments for our Retirement Plan Services. See *Item 12: Brokerage Practices* for more details concerning our relationship with Schwab.

*Sub-Advisors.* We have sub-management agreements with certain sub-advisors to help us monitor individual stocks and bonds. If you own such securities, you must agree to this monitoring service by signing a limited power of attorney allowing these firms to view your positions. These sub-advisors may also present securities for purchase or sale in your accounts, work for with which the sub-advisor may receive compensation. We do not participate in or benefit from such fees, and conducts due diligence reviews to ensure stock and bond prices remain competitive with those that you could obtain from

other sources. We exercise independent judgment that such securities meet your needs.

## Financial Industry Activities

*Registered Representatives of Avantax Investment Services<sup>SM</sup>*. Several of our Advisory Representatives are AIS RRs. We are common-control affiliates with AIS. Our relationship with AIS is material to our clients. AIS supervises the advisory activities of our AIS RRs to the extent that AIS considers such activities to be outside the ordinary business of its broker-dealer. While AIS's brokerage operation is not material to the operation of our advisory business, AIS expects our AIS RRs to sell non-managed-account securities products through AIS to you to generate commissions. Generating and receiving such commissions could create an incentive on the part of the AIS RRs to sell products not in the best interests of the client. This in turn creates a conflict of interest between the AIS RRs and our clients. Please see *Item 5: Fees and Compensation*, where we discuss our brokerage fee disclosure policy.

To address this, AIS RRs must adhere to FINRA rules regarding client product suitability. Further, all our employees that are AIS RRs are required to assign all commissions generated to us; we pay such employees an annual salary as well as periodic bonuses based on a variety of factors. All AIS RRs that are CPAs are required by their state accountancy board to provide each client with a document for each brokerage transaction that discloses the commissions and other related fees earned from such transactions. We also address this conflict by adopting, monitoring, and enforcing our Code of Ethics. (We encourage you to review our Code of Ethics).

*Insurance General Agency/Agents*. We also offer insurance products to our advisory clients as a Managing General Agency/Agent for insurance carriers. We are licensed to do insurance business in most states. Some of our Advisory Representatives may also be licensed to sell insurance. We and some of our Advisory Representatives are appointed as brokers with various insurance carriers and may benefit financially, directly or indirectly, from a transaction in insurance. Many of the cases we handle are significant in size and complexity, and contribute to our profits. There is a material conflict with you when we or any of our Advisory Representatives benefit from an insurance commission. We address this conflict in our Code of Ethics, particularly in the section entitled 'Sales Practices'. Our operating standard requires that we seek the product suitable for you and your financial situation. We conduct comparative quote and cost analysis as a matter of practice when placing a policy for you.

## Summary

We have no relationships or arrangements that might be material to our advisory business or material to you in evaluating us with the following types of organizations or persons:

- Any investment company or other pooled investment vehicle - beyond employing such products in a client portfolio.
- Any futures commission merchant, commodity pool operator, or commodity trading advisor.
- Any banking or thrift institution.
- Any lawyer or law firm.
- Any real estate broker or dealer.
- Any sponsor or syndicator of limited partnerships.

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

### Code of Ethics

Pursuant to SEC Rule 204A-1, we have adopted a Code of Ethics ("Code") promoting the fiduciary duty that both we and our supervised persons owe to you. The Code lays out our standards of business conduct, and establishes policies and procedures to ensure our compliance with federal and state laws as well as to reduce or minimize potential conflicts. Our Code encourages us and our related persons to put your interests first, to maintain the confidentiality of your personal and sensitive information, and to prevent abuses of our position of trust at your expense. We provide our Code and related training to all employees as a part of new hire orientation, and then annually thereafter. Our supervised persons are required to attest that they have read and understand our Code, as well as to retain a copy to reference. A copy of our Code is available to you upon request. It is also posted on our website at [www.avantax.com/planning-partners](http://www.avantax.com/planning-partners).

### Participation or Interest in Client Transactions and Personal Trading

We generally do not buy or sell any securities for your accounts in which we have a material financial interest. That would be a direct conflict of interest. We generally do not invest your assets in securities designated by the SEC as "reportable securities" (for example, exchange-listed stocks), although you may direct us to buy and sell such securities in your IPS.

Our supervised persons may have an interest in client transactions insofar as they may personally invest in the same securities recommended to you. These transactions involve a conflict of interest as we or our supervised persons may benefit from an increase in price from subsequent purchases by you. To address this conflict, we have policies placing restrictions on some of the personal trading activity of our supervised persons, as well as procedures requiring supervised persons to report their personal holdings annually and their personal securities transactions every quarter, among other requirements. The Chief Compliance Officer for our investment adviser monitors the personal securities activity of our supervised persons, especially those who recommend or place trades for your accounts.

## **Item 12: Brokerage Practices**

### **The Custodians and Brokers that We Use**

We do not maintain physical custody of your assets that we manage. Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We primarily use CS&Co. as the broker-dealer and custodian for our investment advisory services, and Fidelity for our retirement plan services. We are independently owned and operated, and are not affiliated with, any qualified custodian. The qualified custodian will hold your assets in a brokerage account, and buy and sell securities when instructed by either us or you.

### **How We Select Brokers/Custodians to Use**

We select broker-dealers to execute client securities transactions by considering a wide range of factors, among others, including the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear, and settle trades (buy and sell securities for your account);
- capabilities to facilitate transfers and payments to and from accounts (e.g., wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.);
- availability of investment research and tools that assist us in making investment decisions
- quality of services;
- competitiveness of the price of those services (e.g., commission rates, other fees, etc.) and willingness to negotiate them;
- their reputation, financial strength and stability;
- their prior service to us and our other clients;
- availability of other products and services that benefit us, as discussed below.

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

For our clients’ accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab’s Cash Features Program. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, we have Schwab execute most trades for your account to minimize your trading costs. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see sub-item “HOW WE SELECT BROKERS/CUSTODIANS TO USE”).

Schwab is our preferred broker/custodian because of its competitive commission schedule, effective trade execution platform, and ability to aggregate client trades, which may benefit you. Schwab offers a wide variety of products and services at competitive institutional pricing, the benefits of which we can pass on to you. In that case, we execute transactions through Schwab. Concerning “best execution”, Schwab states on its website:

“Schwab Advisor Services is committed to providing best execution for your trades. Information regarding the routing destination and time of execution of your orders for up to a six-month period is available upon request.

In arranging for the execution of equities and listed options orders, Schwab Advisor Services seeks out industry leading execution services and access to the best performing markets. In this regard, Schwab Advisor Services has contracted with UBS Securities LLC and its affiliates (“UBS”) for equity and options order handling and execution services, including access to

UBS's state-of-the-art, algorithmic order routing capabilities. UBS manages the execution of most types of orders for which customers have not provided specific instructions (non-directed orders), including through the use of intelligent order routing technology for identifying the best available market. UBS executes Schwab Advisor Services orders on all major market centers, including exchanges, ECNs (electronic trading networks) and dealer markets, and may also execute orders as principal. UBS also provides execution services for most types of directed orders.

UBS routing and execution services are subject to Schwab Advisor Services' execution quality standards for achieving best execution. In certain circumstances, Schwab Advisor Services itself may route orders directly to a market for execution. Schwab Advisor Services considers a number of factors in evaluating execution quality, including execution price and opportunities for price improvement, market depth and order size, the trading characteristics of the security, speed and accuracy of the execution, the availability of efficient and reliable order handling systems, service levels, and the cost of executing orders at a particular market or firm. Schwab Advisor Services regularly monitors the execution quality provided by UBS and the various markets to which UBS and Schwab Advisor Services may route orders, to ensure orders are routed to markets that have provided high-quality executions over time."

*Compass.* Client accounts enrolled in the Compass program are maintained at, and receive the brokerage services of, Schwab. While we require our clients use Schwab as their broker to enroll in Compass, it is the client that still decides whether to open an account with Schwab by entering into a brokerage account agreement directly with Schwab. We do not open the account for the client. If the client does not wish to place his or her assets with Schwab, then we cannot manage the client's account through Compass. Schwab may aggregate purchase and sale orders for ETFs across accounts enrolled in Compass, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the IIP Platform.

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

Schwab Advisor Services™ ("SAS") is Schwab's business serving independent investment advisory firms. Through SAS, Schwab provides us and our clients (both those enrolled in Compass and those not enrolled in Compass) 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 your accounts, while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

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

*Services that May Not Directly Benefit You.* Schwab also makes available to us other products and services that benefit us, but may not directly benefit you or your accounts. These products and services assist us in managing and administering your accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

*Services that Generally Benefit Only Us.* Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

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

## Examples of Schwab Products and Services Provided to Us

- Beginning in 2016 and running through 2018, we received financial support from Schwab to cover any of our technology and marketing invoices in exchange for agreeing to move our client money market balances over to cash sweep accounts of Schwab's banking division. This support helped us to manage and further develop our advisory business, which helps us enhance the services we provide to you.
- Every year, we hold a professional training conference for those CPAs registered as Advisory Representatives. Schwab (along with other unaffiliated third parties) sponsor the event by providing us with financial support in the form of cash payments ranging between \$250-\$10,000, logo-embroidered merchandise and/or guest speakers, among others.
- In 2017, we completed an onsite complementary consultation with a Schwab professional to help us strengthen our cybersecurity program.

## Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This creates an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "HOW WE SELECT BROKERS/CUSTODIANS") and not Schwab's services that benefit only us.

## Soft Dollar Arrangements

We do not engage in any soft-dollar arrangements. If our policy changes, then we must disclose this as a material change in the way we do business.

We do receive investment-related information, such as proprietary and third-party research, from Schwab and from the mutual fund companies and money managers that we utilize, such as Nuveen and Goldman Sachs, to name a few. But our receipt of such materials are not related in any way to client securities transactions.

## Client Referral Arrangements

We do not select or recommend broker-dealers/custodians in exchange for client referrals from a broker-dealer or third party.

## Directed Brokerage Arrangements

We generally do not permit our clients to direct brokerage.

## Other Brokerage & Trading Practices

**Aggregation.** For our investment advisory services, we will seek to aggregate purchases and sales of securities in affected accounts whenever doing so would result in securing a potential price that benefits all our clients equally. We may provide you an opportunity to opt out of such trades if you (not us) consider it in your best interest. However, transaction costs, especially for mutual funds, are generally the same whether or not we aggregate trades. We aggregate purchases and sales of mutual funds for certain managed accounts when we choose or replace a mutual fund or ETF to represent an asset segment in our model portfolios, change the overall asset allocation, or re-balance your account. All managed accounts affected receive the same price. If an aggregated purchase or sale order for such a security executes in pieces at different prices, we apply the average price to each account. A potential cost to you is that in some instances a non-aggregated order might provide a better price.

**Cross Trades.** Cross trades entail advisers executing internal, non-agency transactions between client accounts in which one client purchases securities or other financial instruments held by another client and the adviser receives no compensation. Cross trades involve a conflict of interest where an adviser represents the interests of both sides in the same transaction because the adviser might treat one side more favorably than the other. For our investment advisory services, we will utilize cross trades for certain individual bonds only where we determine such transactions to be beneficial, preferred, and in the best interest of both clients involved. We have established policies and procedures designed to mitigate these conflicts and to help ensure that such cross trades are in the best interests of, and suitable for, all clients involved. We maintain a log detailing each instance we utilize cross trades.



## Item 13: Review of Accounts

We review your account(s) periodically, and at least annually, to ensure we are managing your assets according to your current financial needs and according to the directions laid out in your IPS. We review all managed accounts that rely on our model portfolios, re-balancing them as instructed, once, twice, or four times annually. Annually, our investment services team compares all our non-modeled accounts against an IAC-selected list of criteria. Every month, our internal analysts also review a select group of accounts and send a report of the results to the IAC and CIO. We notify your Advisory Representative(s) of any discrepancies and tracks those until either they are corrected, or we obtain your direction to maintain the discrepancy. Additionally, you can meet with your Advisory Representative as frequently as you might request (or require) to discuss your account(s), your investment strategies or changes in your financial circumstances in general.

Your Advisory Representative may discuss your financial goals with you. We may also provide a client review as a way to formally structure your review process.

In addition to periodic reviews, we may review accounts before certain transactions or before the end of the calendar year to help you manage the impact of tax liability. We may also do ad hoc reviews of accounts that own a particular security whenever there is: unusually positive or negative news or price changes in a security; a merger or other corporate event; or a regulatory or civil action, among other reasons.

You receive regular reports in the form of monthly statements from us. Our statements include the purchase date, cost, market price, realized gain or loss, unrealized gain or loss of your securities. We also report the change in value over time, including your additions and withdrawals. We usually include a written newsletter from the CIO with your statement.

## Item 14: Client Referrals and Other Compensation

The only compensation that we receive for the investment advisory services we provide is our Management Fee. We do not receive any economic benefit from anyone who provides investment advice or other advisory services to you. As previously described above under *Item 12: Brokerage Practices*, we receive an economic benefit from CS&Co. in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under *Item 12: Brokerage Practices*. However, the availability to us of CS&Co's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We compensate other professionals, such as CPAs and attorneys, to refer their clients to us for our investment advisory services ("Solicitors"). The use of referral compensation may constitute a conflict of interest. For referred clients that engage us for investment advisory services, we will compensate the Solicitors a portion of the ongoing fee we collect from clients in accordance with a written agreement between us and the Solicitor. We will only compensate Solicitors that are licensed as investment advisor representatives, especially in states that require IAR registration and allow that practice. In addition, we follow SEC and state regulator rules concerning such referral arrangements.

In 2020, we began offering a referral program whereby we compensate certain financial professionals associated with AAS that refer clients to our Avantax Retirement Plan Services division. The use of referral compensation may constitute a conflict of interest. For referred retirement plan clients that engage us, we will compensate AAS a portion of the ongoing fee we collect from clients in accordance with a written agreement between us and AAS. AAS will in turn pay a portion of such fee to the referring financial professional, per a written agreement between AAS and the financial professionals. We follow federal and state regulator rules concerning such referral arrangements.

## Item 15: Custody

Under government regulations, we are deemed to have constructive custody through authorizations we maintain over certain of the client assets to which we provide investment advisory services. For example, most clients have authorized us to instruct Schwab to debit our Management Fee directly from their accounts. Some clients have also granted us a standing letter of authorization(s) to move their assets from their account to a third party. We have constructive custody of the funds and securities for those retirement plan clients to which we also provide Retirement Plan Services (that is, recordkeeper and plan administrator support services). And we also have constructive custody for several trust accounts over which certain of our Advisory Representatives serve as trustee.

As a result, we have implemented certain controls to provide further protections for you. In accordance with Rule 206(4)-2, unaffiliated qualified custodians, such as Schwab, maintain actual custody of your assets. Your qualified custodian is required to send account statements to you at least quarterly to your postal mailing address (for paper statements) or the

electronic mail address (if you opt for electronic delivery).

We urge you to promptly and carefully review the account statements from your qualified custodian, and compare them with the monthly portfolio reports you receive from us.

## **Item 16: Investment Discretion**

We accept discretionary authority to manage investment accounts on your behalf. Before we assume this authority, you must execute a DAMA defining our discretionary authority, as well as complete an IPS detailing instructions for how we are to manage your accounts. You may prohibit any asset or market segment, and may limit the kinds of securities we use in managing you toward your objectives. Clients will also execute a trading authorization form with their broker-dealer/custodian, which defines the discretionary authority clients are giving us over their accounts. When you grant us discretion, we buy and sell securities and change market segment weightings within your IPS guidelines.

We may also manage some assets on a non-discretionary basis. However, we currently do not provide any clients with non-discretionary asset management based on a written agreement.

## **Item 17: Voting Client Securities**

In line with the fiduciary duty we owe to you and in accordance with SEC Rule 206(4)-6, we maintain policies and procedures for voting security proxies.

You may grant us authority to vote securities in your accounts or else withhold that right for yourself. You may also elect to receive proxies or other solicitations directly. You may revoke that authority at any time. Depending on circumstances, you may receive your proxies or other solicitations directly from your qualified custodian or a transfer agent.

Our IAC monitors the proxy voting function. Our CIO supervises proxy voting by us. As proxy materials are received, they are collected and reviewed for conflict of interest. When no conflict of interest is apparent, the CIO will direct votes to be cast according to the recommendations of the management of the company who issued the securities. If the CIO determines that an actual or potential conflict of interest exists, our CIO will direct that the vote be cast as “abstain”. Abstentions are logged and reported to the IAC. Proxy statements and copies of voting cards are filed and maintained for at least 5 years. Our CIO and support staff assumes responsibility for filling your requests for information regarding proxy votes and maintaining records of such requests. We have engaged the proxy tabulation service, Broadridge’s ProxyEdge, to vote and maintain records of all proxies.

For information on how a specific proxy was voted, you may contact our CIO or Chief Executive Officer. To request a copy of our policies and procedures document, contact your Advisory Representative. You may also direct a request in writing to our corporate office at 3390 Asbury Road, Dubuque, IA 52002, or by phone at 800-791-8994 or 563-582-2855.

In addition, we have contracted with Broadridge as a service provider to file Class Actions “Proof of Claim” forms. Occasionally, securities held in the accounts of clients will be the subject of class action lawsuits. We have retained the services of Broadridge to provide a comprehensive review of our clients’ possible claims to a settlement throughout the class action lawsuit process. Broadridge actively seeks out any open and eligible class action lawsuits. Additionally, Broadridge files, monitors and expedites the distribution of settlement proceeds in compliance with SEC guidelines on behalf of our clients.

For more information, or if you would like to review any of these documents, you may contact our CIO or Chief Compliance Officer.

## **Item 18: Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance, and have not been the subject of a bankruptcy petition during the last 10 years.