



*Tax Efficient Asset  
Management Solution, Inc.*

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**Form ADV Part 2A – Firm Brochure**

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Dated December 26, 2023

This Brochure provides information about the qualifications and business practices of Tax Efficient Asset Management Solution, Inc., “TEAMS”. If you have any questions about the contents of this Brochure, please contact us at 949-878-9400. 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.

Tax Efficient Asset Management Solution, Inc. is registered as an Investment Adviser with the State of California. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about TEAMS is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number 146778.

## Item 2: Material Changes

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Since the last annual filing of this Form ADV Part 2A, dated March 31, 2023, the following material change has occurred:

- Item 1 – We have moved offices.

## Item 3: Table of Contents

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# Item 4: Advisory Business

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## Description of Advisory Firm

Tax Efficient Asset Management Solution, Inc.'s registration was granted by the U.S. Securities and Exchange Commission on April 23, 2008. Timothy Lee Voorhees (CRD Number 856280) is President of the firm. Mr. Voorhees owns fifty (50%) percent and Evan Pan, owns fifty (50%) percent of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries who have any ownership interest in the firm. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions. The firm does not sponsor any wrap programs. As of September 30, 2023 the firm managed assets on a discretionary basis in the amount of \$94,383,753 and \$5,291,394 on a non-discretionary basis.

Tax-Efficient Asset Management Solution, Inc. ("TEAMS") serves wealthy individual and corporate clients by offering a variety of deliverables and services to help clients manage assets tax efficiently. Experienced TEAMS professionals use propriety software to develop comprehensive financial and estate planning illustrations. These plans provide flowcharts illustrating various entities, such as revocable living trusts, LLCs, and irrevocable trusts, that hold stocks, bonds, and other securities that need professional management. Asset Management professionals affiliated with TEAMS illustrate asset management techniques that reduce or eliminate taxes, increase transfers to children, enhance charitable giving goals, or achieve other personal and financial goals. TEAMS illustrations typically show how to reduce income, capital gains, estate, gift, GST, and/or AMT taxes related to investment strategies.

TEAMS planners typically deliver seven types of services to wealthy clients. Each service corresponds to a different deliverable. Our advisers follow a process that begins as the **Counselor** clarifies how the client wants to generate retirement income, transfer wealth to children and/or business associates, give more to charity, or achieve any of more than 50 other goals. The counselor helps the client explore new vistas and then summarizes the goals in a **Family Wealth Statement**. After goals have been clarified, the **Analyst** reviews how the current asset management strategies and planning techniques fail to achieve the goals. The analyst produces a **Financial Checkup** with a report card showing specifically which goals the client fails to achieve. The analyst also collaborates with a **Planner** to summarize the benefits and costs of planning a case that will achieve all of the client's goals with optimizing financial and legal strategies. Quantified benefits and costs are summarized in a **Value Proposition Letter**. If the client agrees to proceed with planning, the planner works with the **Advisor Coordinator, Binder Publisher, and Licensed Implementer(s)** to develop and implement a tactical or comprehensive **Family Wealth Blueprint®** for helping the client realize his or her dreams. Then, once per quarter or once per year, the **Evaluator/Educator** meets with the client to review the plan and educate the clients on ways that the plan could be updated in light of changing goals, tax laws, or market conditions.

TEAMS professionals may deliver their services throughout two or more phases. Phase 1 of the process typically begins with a discovery session. Phase 1 can be completed in just an hour or two if the client has clarity about his or her goals and his or her current situation. In most cases, however, client's welcome assistance in clarifying their goals during a family retreat that culminates with production of a Family Wealth Statement. Many clients also appreciate having their current plans analyzed to see how the current plan fails

to achieve goals clarified in the Family Wealth Statement. The current plan is analyzed in a document known as a Financial Checkup. The Financial Checkup typically includes a variety of graphics to illustrate opportunities inherent in current asset management strategies.

Phase 1 culminates with a Value Proposition Letter (“VPL”), which sets the stage for the second phase. The planning team adapts the VPL to the client’s needs. If the client just wants to reduce taxes or manage money more tax efficiently, the planning professionals immediately discuss a relatively simple tactical plan or investment policy statement. If the client wants a more comprehensive process, the planning team discusses a process that produces a comprehensive Family Wealth Blueprint, which illustrates an optimal combination of strategies for minimizing taxes, increasing transfers to heirs, enhancing charitable giving potential, optimizing portfolios, or achieving other personal and financial goals.

### **Benefits of the planning process:**

#### **❖ Clients Can Control 100% of Their Wealth**

- Eliminate estate and/or gift taxes
- Reduce or eliminate income taxes
- Protect assets from creditors
- Pass the full value of an estate to heirs

#### **❖ Clients Can Move from Success to Significance**

- Make charitable gifts instead of paying taxes
- Involve family members in benefiting the community
- Align financial and legal plans with personal values

#### **❖ Clients Can Integrate Advanced and Proprietary Tools into a Comprehensive Plan**

- Apply creative and cutting-edge ideas not widely available
- Illustrate all ideas with one color flow chart and integrated cash flows statement

#### **❖ Clients Can Assemble a Highly Skilled Planning Team**

- Engage nationally known attorneys through a simple process
- Benefit from the national reputation and depth of experience of advisers who specialize in preparing strategic plans

#### **❖ Clients Can Obtain a Full-Color Plan Illustrating All of the Proposed Tools**

- Receive comprehensive client presentations that illustrate and integrate the effect of all proposed strategies on cash flow, income taxes, charitable giving, estate taxes and wealth distribution
- View attractive and easy-to-follow graphs, tables, and text reports

- Maintain financial and estate information in a format that can be updated easily during quarterly or annual reviews

## Selection of Other Advisers

The Tax Efficient Asset Management Solution, Inc. (“TEAMS”) managers will maintain sub-advisory relationships with Pan Global Advisers, LLC (“Pan Global”), an affiliated investment adviser, and other Registered Investment Advisers to develop Investment Policy Statements for the tax efficient optimization of portfolio returns. Each Investment Policy Statement (“IPS”) considers the tax consequence of accumulating and distributing assets from each portfolio maintained for each trust and/or corporation owned and/or controlled by clients of TEAMS and its affiliated RIAs. Investment Policy Statements will include cash flow projections for each portfolio. IPS analytical reports will analyze expected cash inflows and outflows for each independent portfolio and for integrated portfolios under different rate of return scenarios.

In cases where the tax exposure of asset management decisions is too large, the TEAMS managers will work with Million Voorhees Ziebold LLP DBA Family Office Law tax attorneys to recommend alternative tax planning techniques that can reduce the tax consequences of optimizing portfolios. The TEAMS managers will have no discretionary authority over managed funds; however, they will have discretion to recommend the addition or deletion of securities when creating and updating Investment Policy Statements. Portfolios depicted in the IPS will be custodied at various custodial institutions.

Portfolio optimization, in addition to producing many non-tax benefits, can help generate tax-efficient asset management returns in at least ten ways. Portfolio optimization professionals can: 1) review account statements to confirm that the correct trusts own each account in order to keep assets outside of the taxable estate, 2) apply trust accounting principles to accumulate and distribute trust assets tax-efficiently, 3) confirm the accuracy of tax basis and market value numbers shown on the balance sheet, 4) determine that cash withdrawn from accounts for lifestyle needs will be taxed at the most favorable rates, 5) evaluate whether assets not kept liquid for lifestyle needs are invested tax efficiently in longer-return assets, 6) estimate which rates of return to assume when designing tax minimization tools, 7) clarify whether asset management fees are tax deductible, 8) identify unnecessary taxes on portfolio rebalancing transactions, 9) integrate tax-efficient investments into portfolios, and 10) gather data to graph projected after-tax inheritance for heirs under different return/risk assumptions.

TEAMS drafts investment policy statements and provides active management of fiduciary issues while delegating asset management decisions to third party asset managers. To supplement the investment policy statements, TEAMS develops Education Policy Statements (“EPSs”) for retirement plan trustees. The EPS documents clarify how TEAMS staff members provide training meetings, personalized consultations for plan participants, and fiduciary coaching. The fiduciary coaching reviews investment, administrative, and procedural issues relative to industry norms. Fiduciary coaching also involves the daily monitoring of relevant fiduciary cases, statutes, and news items. The personalized coaching involves monitoring each participant’s investment portfolio to generate daily alerts when investment performance deviates from reasonable age-based and asset-based standards. The daily portfolio monitoring reports guide updates to the training and fiduciary coaching process.

While all financials are pooled on the tax returns, there are differences in the asset management strategies and case management assignments of TEAMS. TEAMS currently assumes responsibility for overseeing all

drafting of investment policy statements when clients engage for investment policy statements that include provisions for improving returns through tax planning and estate planning for high net worth families. TEAMS uses an active management process executed with support from Pan Global Advisers, a sub-advisor of TEAMS. TEAMS provides fiduciary coaching services to trustees of irrevocable trusts and qualified plans as part of the active management of legal and investment risks. TEAMS also provides financial planning services according to terms of financial planning retainers signed by clients.

## Investment Management Services

TEAMS currently has two tiers of services. For the lower tiered services, the above mentioned summarizes those services that would be provided. The higher tiered services and fees would be associated with the level of work that would be expected of us to work with the designated third party CPA firms and tax coordination preparation services and the resulting additional work. These investment management services associated with the higher tier fees are due to the additional level of work, specializations and coordination needed by the client. This could include new investments models and strategies, requiring additional time and resources.

## Real Estate Investment Management

TEAMS may advise clients on collateralized real estate investment through trust deed investments with the assistance of 1) Mountain West Debt Fund (“MWDF”), a real estate finance company, 2) Greenlake, LLC, a real estate finance company; or 3) M360 ADVISORS, LLC (“M360”), a sponsor of limited partnerships investing in private debt. The scope of the service includes identifying and acquiring on behalf of client’s real estate-related investments and subsequently managing such assets/portfolios.

# Item 5: Fees and Compensation

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TEAMS professionals typically charge a different fee for each phase of the planning process. If a client has clarity about goals and his or her current situation, Phase 1 may involve nothing more than producing a Value Proposition Letter for a price of \$500 to \$3,000. The VPL recommends which plan and/or asset management strategy would be right for the client. (Phase 1 may also involve development of a Family Wealth Statement for \$3,500 to \$6,000 and a Financial Checkup for \$2,500 to \$5,000. These documents typically do not give advice concerning securities.) The VPL also details the costs and benefits of entering into a Phase 2 engagement. After reviewing the VPL, the client engages the TEAMS Professional for a plan in Phase 2. During Phase 2, the client receives a simple **Tactical Plan** illustrating just one planning tool, a **Comprehensive Plan** illustrating all legal and portfolio tools needed to achieve the client’s goals, or a **Summary Plan** that illustrates a selection of tools designed to focus on the client’s primary needs. Planning fees typically start at \$1,000 for tactical plans and begin at \$12,000 for comprehensive plans. The total fee is based on the complexity of the case and the time involved in planning.

During Phase 3, the planning team will implement the plan. The Phase 3 engagement typically involves a licensed CPA, licensed lawyer, licensed stockbroker or money manager, licensed insurance agent, or other licensed professionals. Implementation of portfolio strategies involves Certified Financial Planners™ and Chartered Financial Analysts on the TEAMS staff. After implementation of portfolio strategies, the client may enter into a Phase 4 engagement for on-going evaluation and enhancement of the plan. During Phase 4, the planning team adapts the plan to address changes in asset values, tax laws, or client goals.

Advisory fees are directly debited from client accounts, or the client may choose to pay by check.

In special circumstances financial planning may be offered on an hourly basis at a rate of \$175.00 to \$450.00 per hour, depending on the nature of the specified services. An estimated fee will be given before the start of any work with 50% to 80% of the estimated fee due at the beginning of process and the remainder of the total fee due at completion of work. The retainer term is generally for 120 days. TEAMS will not bill an amount above \$500.00 more than 6 months in advance.

The firm may recommend alternative investments to certain advisory clients without any broker/dealer concession involved. In these situations, the firm shall charge up to 3% in the first year, and up to 1% in subsequent years.

In addition to Advisor's advisory fee, the Client may be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to the account custodian and are retained by the account custodian for its clearance and execution services. Further, Client may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. Advisor does not share in any portion of such fees. Additionally, mutual funds and exchange traded funds charge internal management and administrative fees and incur expenses which are deducted from the assets of the mutual fund of which Client will pay a proportionate share. Advisor is not being compensated on the basis of a share of capital gains or capital appreciation of the funds or any other portion of the funds of the Client.

### Investment Management Services

From To (in working with CPA and other third party firms)	Annual Management Fee	From To	Annual Management Fee (standard)
\$0 - \$2,000,000	1.50%	\$0 - \$2,000,000	1.00%
Over \$2,000,000 \$5,000,000	1.30%	Over \$2,000,000 \$5,000,000	0.85%
Over \$5,000,000 \$10,000,000	1.15%	Over \$5,000,000 \$10,000,000	0.75%
Over \$10,000,000 \$25,000,000	1.00%	Over \$10,000,000 \$25,000,000	0.60%
Greater than \$25,000,000	0.85%	Greater than \$25,000,000	0.55%

### Alternative Investment Management

For this service, Clients are charged a fee up to 1% on real estate and other direct investments. This fee will be charged by TEAMS as a fee on MWDP, Greenlake, Feenix Venture Partners, Paradigm BioCapital or other similar investment managers for TEAMS' advisory services. This fee charged by TEAMS is in addition to the underlying management fees charged by the above fund sponsors. On accounts with less than \$100,000 invested in first trust deeds, TEAMS may charge the client's custodial account for an administrative charge payable to Family Office Services, Inc. This administrative charge on accounts with less than \$100,000 will not exceed 1% per year on top of the annual fee of up to 1% (referenced above) paid to TEAMS. The administrative expenses include payments for salary and overhead related to staff members who evaluate loan investments, process loan paperwork, illustrate portfolios, update investment policy statements, negotiate terms with lenders, generate client reports, educate client or their advisers, and conduct client calls or meetings. Clients will authorize this fee deduction and will receive an itemized invoice when billed. TEAMS also offers Pan Global Advisers Diversified Fund, LP (PGADF), a fund of funds, that focuses on private investments including private credit, direct lending, and long short hedge funds. However, TEAMS does not charge a fee for that investment, but has a revenue sharing arrangement with Pan Global, the general partner of the fund of funds.

## **Other Types of Fees and Expenses**

Clients may be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to the account custodian and are retained by the account custodian for its clearance and execution services. Further, Client may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. Advisor does not share in any portion of such fees. Additionally, mutual funds charge internal management and administrative fees and incur expenses which are deducted from the assets of the mutual fund of which Client will pay a proportionate share. Advisor is not being compensated on the basis of a share of capital gains or capital appreciation of the funds or any other portion of the funds of the Client.

Fees for development and maintenance of the IPS documents will be dependent upon the degree of modeling required to help clients optimize portfolios as part of optimized estate plans. The portfolio optimization process will help clients and advisers at affiliated RIAs "stress test" each legal tool under different rate of return assumptions. When projecting cash flows generated by different types of portfolios, the TEAMS managers will use both portfolio optimization and estate optimization software to evaluate millions of projections and choose the scenarios that optimize the after-tax cash flow and wealth transfer benefits requested by the clients. As clients and advisers consider the incremental benefits of combining portfolio optimization with estate optimization, they see that these techniques can generally help reduce both income and transfer taxes.

Management fees are directly debited from the client's account and the rate for each client will be specified on the TEAMS Client Fee Schedule. If fees are charged quarterly in advance, upon termination of service all unearned or unapplied fees will be refunded at once by the adviser to the client.

Please note, lower fees for comparable services may be available from other sources.

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

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We do not offer performance-based fees.

## Item 7: Types of Clients

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Individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, private funds, corporations and other business entities. Our minimum investment requirement is \$25,000.00 for retirement accounts and \$250,000.00 for all other accounts.

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

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Our primary method of investment analysis is fundamental analysis; however, we may also utilize technical, cyclical and charting analysis.

**Fundamental analysis** involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Technical analysis** involves using chart patterns, momentum, volume, and relative strength in an effort to pick sectors that may outperform market indices. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them. Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may under perform other trading methods when fundamental factors dominate price moves within a given market.

**Cyclical analysis** is a type of technical analysis that involves evaluating recurring price patterns and trends based upon business cycles. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

**Charting analysis** involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends. Charts may not accurately predict future price movements. Current prices of securities may not reflect

all information about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

## Material Risks Involved

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment's current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer's operations or its financial condition.

**Strategy Risk:** The Adviser's investment strategies and/or investment techniques may not work as intended.

**Concentration Risk:** Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Trust Deed and First-Priority Lien Investments** are investments in collateralized loans secured by real estate. Most are relatively short-term loans (maturity under 5 years). These securities are not liquid, and investors generally will not receive their investment back until the borrower pays off the loan, or in case of default, the real estate has been foreclosed and the underlying property sold.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit

quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

**Trust Deed Investments** are investments in collateralized loans secured by real estate. Most are relatively short-term loans (maturity under 5 years). These securities are not liquid, and investors generally will not receive their investment back until the borrower pays off the loan, or in case of default, the real estate has been foreclosed and the underlying property sold.

## **Risks Associated with Securities**

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

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**Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

## Item 9: Disciplinary Information

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Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of TEAMS or the integrity of our management.

## Item 10: Other Financial Industry Activities and Affiliations

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The Tax Efficient Asset Management Solution, Inc. (“TEAMS”) managers will maintain contracts with Pan Global, and other Registered Investment Advisers to develop Investment Policy Statements for the tax efficient optimization of portfolio returns. Each Investment Policy Statement (“IPS”) will analyze the tax consequence of accumulating and distributing assets from each portfolio maintained for each trust and/or corporation owned and/or controlled by clients of TEAMS and its affiliated RIAs. Investment Policy Statements will include cash flow projections for each portfolio. IPS analytical reports will analyze expected cash inflows and outflows for each independent portfolio and for integrated portfolios under different rate of return scenarios.

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1. Mr. Voorhees is the principal partner of Million Voorhees Ziebold LLP DBA Family Office Law.

Mr. Voorhees is the Executive Director of Family Office Foundation, Inc., (FOF) and Family Giving Foundation (FGF). Both are 501(c)(3) tax-exempt public charitable organizations. These charities serve donors who may also have relationships with the affiliated investment firm, insurance agency, plan design firm, and consulting firm. The affiliation involves Family Office Services leasing employees and office space to FOF and FGF. These firms are explained on the websites linked from [www.VFOS.com/6Firms](http://www.VFOS.com/6Firms). FOF and FGF receive charitable donations of partial or 100% interests of Limited Liability Companies (“LLCs”) and other assets from clients of the firms linked from [www.VFOS.com/6Firms](http://www.VFOS.com/6Firms). When the donor contributes 100% of the LLC, the contribution is made subject to a gift policy, investment policy and operating agreement that give FOF principals signing authority over accounts. FOF holds the non-financial assets and arranges for custody of all securities by Charles Schwab & Co., Inc. (“Schwab”), Bridge Bank, or Bankers Trust Company (“BTC”) Securities with Schwab are typically managed by the Family Office RIA, which is formally known as The Tax Efficient Asset Management Solution, Inc. (“TEAMS”). Tim Voorhees spends about 4-8 hours per week overseeing staff members who manage FOF/FGF and/or consulting with FOF/FGF donors. Mr. Voorhees is a member of the Maryland Bar and the US Tax Court Bar and does not practice law within the state of California. He provides no tax advice to clients except as specifically indicated in retainer agreements signed by the clients and Mr. Voorhees. These activities create a conflict of interest. To disclose and minimize potential conflicts, clients are asked to sign a “Multi-Disciplinary Planning Disclosure” (“MDP Disclosure”) at the start of the engagement. This MDP document clarifies the roles and goals of each entity involved with developing integrated solutions for the client.

TEAMS maintains a sub-advisory relationship with Pan Global. Additionally, TEAMS will only recommend a sub-adviser who is properly licensed or registered as an investment adviser.

TEAMS is the owner of Pan Global, a registered investment adviser, and may elect to use Pan Global as a sub-adviser and may act as a sub-adviser to Pan Global.

Evan Pan and Tim Stranske are licensed as investment adviser representatives of Pan Global, a registered investment adviser and owned by TEAMS. As such, in their separate capacity as investment adviser

representatives, can provide advisory services apart from TEAMS, for which they will receive separate and customary compensation. TEAMS does refer clients to Pan Global and Pan Global does refer clients to TEAMS. While we always endeavor to put the interest of our clients first as part of our firm's fiduciary duty, you should be aware that the receipt of outside compensation itself creates a conflict of interest and may affect their judgment when making recommendations.

TEAMS is affiliated with Integrated Family Office Insurance Services, Inc. ("IFOS"), an insurance agency. Tim Voorhees' trust owns IFOS. Associated persons of TEAMS are licensed to sell life insurance and may engage in product sales with our clients, for which they will receive additional compensation. Any commissions received through life or health insurance sales do not offset advisory fees the client may pay for advisory services under TEAMS. Clients are free to use any party of their choosing for their insurance needs, and are not required to use Integrated Family Office Insurance Services, Inc.

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

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The firm has adopted a written Code of Ethics in accordance with SEC Rule 204A-1. The Code of Ethics outlines the professional behavior with which all associated persons must adhere and also discusses the requisite protocols in relation to personal securities transactions. A copy of the firm's Code of Ethics is available upon request to all clients and prospective clients.

It is further noted that Advisor is in and shall continue to be in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Advisor has adopted a firm wide policy statement outlining insider trading compliance by Advisor and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Advisor and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Advisor has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Advisor, are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Advisor's employees may have nonpublic information, (4) requiring all of Advisor's employees to conduct their trading through a specified broker or reporting all transactions promptly to Advisor, and (5) monitoring the securities trading of the firm and its employees and associated persons.

Advisor or individuals associated with Advisor may buy or sell securities identical to those recommended to customers for their personal account.

It is the expressed policy of Advisor that no person employed by Advisor may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

Advisor or any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

As these situations may represent a conflict of interest, Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer or employee of Advisor shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Advisor shall prefer his or her own interest to that of the advisory client.
2. Advisor maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis.
3. Advisor requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to termination.

At times, applicant or related persons may purchase securities recommended to clients. However, such transactions would be kept completely separate from any client transactions.

### **Investment Advice Relating to Retirement Accounts**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

In addition, and as required by this rule, we provide information regarding the services that we provide to you, and any material conflicts of interest, in this brochure and in your client agreement.

# Item 12: Brokerage Practices

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## Factors Used to Select Custodians and/or Broker-Dealers

TEAMS's fundamental policy is to seek for its clients what in its judgment will be the best overall execution of purchase or sale orders and the most favorable net prices in securities transactions consistent with its judgment as to the business qualifications of the various broker or dealer firms with which TEAMS may do business. Decisions with respect to the market in which the transaction is to be completed, the form of the transactions, and the allocation of orders among brokers or dealers are made in accordance with this policy.

With this in consideration, our firm recommends Charles Schwab & Co., Inc., a registered broker-dealer, member FINRA and SIPC ("Schwab"). Although Clients may request us to use a custodian of their choosing, we generally recommend that Clients open brokerage accounts with Schwab. We are not affiliated with Schwab. The Client will ultimately make the final decision of the custodian to be used to hold the Client's investments by signing the selected custodian's account opening documentation.

### 1. Research and Other Soft-Dollar Benefits

TEAMS does not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Schwab may provide us with certain services and products that may benefit us. All such soft dollar benefits are consistent with the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended.

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide our Clients and us with access to their institutional brokerage services (trading, custody, reporting and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our Clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The benefits received by TEAMS or its personnel do not depend on the number of brokerage transactions directed to Schwab. As part of its fiduciary duties to Clients, TEAMS at all times must put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by TEAMS or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the TEAMS's choice of Schwab for custody and brokerage services. This conflict of interest is mitigated as TEAMS regularly reviews the factors used to select custodians to ensure our recommendation is appropriate. Following is a more detailed description of Schwab's support services:

1. 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.



2. Services that may not directly benefit you. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our Clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a 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
  - assist with back-office functions, recordkeeping, and Client reporting
3. 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
  - Consulting on technology, compliance, legal, and business needs
  - Publications and conferences on practice management and business succession
4. Your brokerage and custody 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.

## **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients' money over using a lower-cost custodian.

## **Aggregating (Block) Trading for Multiple Client Accounts**

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount

or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

## Item 13: Review of Accounts

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Client accounts with the investment management services will be reviewed regularly on a quarterly basis by Evan Pan, Director and Chief Investment Officer. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client-imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

TEAMS will provide written reports to clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian.

## Item 14: Client Referrals and Other Compensation

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As disclosed in Item 12 above, TEAMS participates in Schwab's institutional customer program and may recommend Schwab to clients for custody and brokerage services. There is no direct link between TEAMS's participation in the program and the investment advice it gives to its clients, although TEAMS receives economic benefits through its participation in the program that are typically not available to Schwab retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving TEAMS participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to TEAMS by third party vendors. Schwab may also have paid for business consulting and professional services received by TEAMS's related persons. Some of the products and services made available by Schwab through the program may benefit TEAMS but may not benefit its client accounts. These products or services may assist TEAMS in managing and administering client accounts, including accounts not maintained at Schwab. Other services made available by Schwab are intended to help TEAMS manage and further develop its business enterprise. The benefits received by TEAMS or its personnel through participation in the program do not depend on

the amount of brokerage transactions directed to Schwab. As part of its fiduciary duties to clients, TEAMS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by TEAMS or its related persons in and of itself creates a potential conflict of interest and may indirectly influence TEAMS's choice of Schwab for custody and brokerage services.

Pursuant to SEC Regulation Section 275.206.40-3, and applicable state laws, we have entered into "solicitor arrangements" with other registered investment advisers. At the time of solicitation, the prospective client is given full disclosure of the solicitation arrangement and the nature of the relationship between us and the solicitor.

## Item 15: Custody

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Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

**Standing Letters of Authorization:** TEAMS does maintain a standing letter of authorization (SLOA) where the funds or securities are being sent to a third party, and the following conditions are met:

- a. The client provides an instruction to the qualified custodian, in writing, that includes the client's 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.
- b. The client authorizes TEAMS, 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.
- c. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
- d. The client has the ability to terminate or change the instruction to the client's qualified custodian.
- e. TEAMS has 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 the client's instruction.
- f. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.
- g. TEAMS maintains records showing that the third party is not a related party of TEAMS or located at the same address as TEAMS.

As described in Item 10 of this Form ADV Part 2A, Family Office Foundation, Inc. ("FOF"), a 501(c)(3) tax-exempt public charitable organization and related entity to TEAMS, has custody of client funds in which

TEAMS serves as investment adviser. FOF receives charitable donations of partial or 100% interests of Limited Liability Companies (“LLCs”) and other assets from advisory clients. When the donor contributes 100% of the LLC, the contribution is made subject to a gift policy, investment policy and operating agreement that give FOF principals signing authority over accounts. FOF holds the non-financial assets and arranges for custody of all securities by Schwab. Securities with Schwab are typically managed by TEAMS. Due to FOF’s custody of client funds, TEAMS is arranging to have an independent public accountant conduct an annual surprise examination of these clients’ funds and securities.

## Item 16: Investment Discretion

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Depending on advisory service offered, TEAMS may have the authority to execute trades in specific securities and the amount of such securities, without first obtaining specific client consent. When using a third-party money manager, TEAMS delegates all of the responsibility for discretionary authority to Pan Global, and other third-party money managers. TEAMS retains an array of illustration, reporting, research, design, and other client services responsibilities.

## Item 17: Voting Client Securities

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We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client’s investment assets. The Client shall instruct the Client’s qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client’s investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

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Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$1,200 in fees per client six months in advance.