



# MEMBERS' WEALTH

## **Members' Wealth, LLC**

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This Brochure provides information about the qualifications and business practices of Members' Wealth, LLC (Members' Wealth). If you have any questions about the contents of this brochure, please contact us at (267) 367-5453. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC does not imply a certain level of skill or training.

Additional information about Members' Wealth is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2: Material Changes**

Members' Wealth, LLC applied for its initial registration on June 30, 2023. The following changes were made to this Brochure since the initial filing:

- Item 4 was updated to include an overview of consulting services available to employers/businesses.
- Item 4 was updated to reflect the Firm's assets under management.
- Item 5 was updated to reflect fees that the Firm receives for consulting services to employers/businesses.

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## **Item 4: Advisory Business**

Members' Wealth, LLC was established in August of 2022 and provides comprehensive financial planning and wealth management services to individuals, professionals, business owners, corporate executives, and businesses. The principal owner of Members' Wealth is Dane Czaplicki. Members' Wealth EE, LLC is a wholly owned subsidiary of Members' Wealth, LLC and is currently used for payroll.

As a registered investment adviser subject to Section 206 of the Advisers Act, Members' Wealth acts as a Fiduciary related to the conduct of its investment advisory services. As such, Members' Wealth has an obligation to act in the best interest of its clients guided by the core fiduciary duties of loyalty and care.

### **Advisory Services**

#### **Investment Management Services**

Clients can engage Members' Wealth to provide investment management services for all or a portion of their assets on a discretionary basis.

Members' Wealth offers asset management services based on the individual needs of the Client by providing ongoing investment advice and management on assets in the Client's account. Members' Wealth will conduct in-depth interviews with wealth management clients in order to evaluate topics such as investments and other assets, business/career situation, insurance, risk management, retirement, education, estate planning, debt management, tax, and cash flow needs of the client. Members' Wealth will then discuss the results of the evaluation with the client to determine how Members' Wealth can help the client take action to address the client's goals and objectives. Members' Wealth will purchase and sell various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), equities, options, and fixed income securities. Clients can impose restrictions on investing in certain securities or groups of securities by indicating in the written advisory agreement with Members' Wealth.

#### **IRA Rollovers**

Investors considering rolling over assets from a qualified employer-sponsored retirement plan ("Employer Plan") to an Individual Retirement Account ("IRA") should review and consider the advantages and disadvantages of an IRA rollover from their Employer Plan. A plan participant leaving an employer typically has four options (and can engage in a combination of these options):

- (1) Leave the money in the former employer's plan, if permitted;
- (2) Rollover the assets to a new employer's plan (if available and rollovers are permitted);

- (3) Rollover Employer Plan assets to an IRA; or,
- (4) Cash out the Employer Plan assets and pay the required taxes on the distribution.

At a minimum, Investors should consider fees and expenses, investment options, services, penalty-free withdrawals, protection from creditors and legal judgments, required minimum distributions, and employer stock. Members' Wealth encourages you to discuss your options and review the above-listed considerations with an accountant, third-party administrator, investment adviser to your Employer Plan (if available), or legal counsel, to the extent you consider necessary.

By recommending that you rollover your Employer Plan assets to an IRA advised by Members' Wealth, we will earn fees as a result. In contrast, leaving assets in your Employer Plan or rolling the assets to a plan sponsored by your new employer likely results in little or no compensation to Members' Wealth. Members' Wealth has an economic incentive to encourage investors to rollover Employer Plan assets into an IRA managed by Members' Wealth. Investors can face increased fees when they move retirement assets from an Employer Plan to a Rollover IRA account. Even if there are no costs associated with the IRA rollover itself, there will be costs associated with account administration, investment management, or both. In addition to the fees charged by Members' Wealth, the underlying investment (mutual fund, ETF, annuity, or other investment) can also include fees. Custodial and trading fees also apply. Investing in an IRA with Members' Wealth will typically be more expensive than an Employer Plan.

As of October 25, 2023, Members' Wealth had \$103,135,298 in regulatory assets under management.

### **Employer Benefits**

We offer consulting services to employers as a benefit to their employees. These services are based upon the needs of the employees and the services requested by the employer. In general, these services will include advice regarding fund selection, investment options, and financial plans. These services will generally be non-discretionary and advisory in nature. Should any employee of a company to whom we offer these services decide to become a client, that employee would need to complete an investment management agreement with Members' Wealth.

## **Item 5: Fees and Compensation**

### **Investment Management Fees**

Clients enter into an Investment Management Agreement ("IMA") with Members' Wealth that outlines the services provided and fees paid to Members' Wealth. The Client will pay an asset

management fee to Members' Wealth based on the value of the Client's account, including cash holdings. Clients are billed in advance on a quarterly basis based on the account value on the last day of the prior quarter. Clients will be billed at the rate set forth in their agreement. For the initial period of an engagement, the fee is calculated on a pro rata basis. In the event the IMA is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is refunded to the Client. Our fee schedule is listed below.

1.0% on assets \$1,000,000 and under  
0.9% on assets between \$1,000,001 and \$3,000,000  
0.8% on assets between \$3,000,001 and \$5,000,000  
0.7% on assets between \$5,000,001 - \$10,000,000  
0.5% on assets \$10,000,000 and over

#### **Financial Planning**

We charge a fixed fee for financial planning services. This cost will vary based on the time spent and the complexity of the services to be provided. Fees may be charged in advance of the services rendered, upon completion of the services rendered, or a combination thereof. Fees and fee-paying arrangements are negotiable and will be based on the scope and complexity of the services to be provided. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time will exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. We will not require prepayment of a fee more than six months in advance and in excess of \$1200.

#### **Employer Benefits**

Our advisory fees will be negotiated in advance with the employer on a case-by-case basis and are dependent on a variety of factors including the number of employees, the nature of the services, and the complexity of the services. Fees will be charged at a fixed level dependent upon the size of the engagement and the number of employees ranging from \$1,000-\$10,000 per employee per year. Fees are billed in advance or in arrears and paid monthly or quarterly as outlined in the agreement with the firm.

You can terminate services upon written notice. You will incur advisory fees in proportion to the number of days in the quarter for which you are a client.

#### **Fee Discretion**

Members' Wealth, in its sole discretion, will negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy

Client relationship, employer-employee relationship, account retention and pro bono activities. Members' Wealth, at its own discretion, can group certain related Client accounts for the purpose of determining the fee.

**Direct Fee Debit**

Clients generally provide Members' Wealth with the authority to directly debit their accounts for payment of the investment advisory fees. The financial institutions that act as the qualified custodian for Client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to Clients not less than quarterly detailing all account transactions, including any amounts paid to Members' Wealth.

**Additional Fees and Expenses**

In addition to the advisory fees paid to Members' Wealth, Clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks, and other financial institutions (collectively "Financial Institutions"). These additional charges include, but aren't limited to, securities brokerage commissions, transaction fees, redemption fees, short term transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF in a Client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

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

Members' Wealth does not charge performance-based fees.

**Item 7: Types of Clients**

As noted in Item 4, Members' Wealth provides wealth management services to individuals, professionals, business owners, corporate executives, and businesses. There is a \$1,000,000 minimum account value requirement for the Members' Wealth advisory program accounts. This minimum can be waived at the discretion of the adviser.

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

We create broadly diversified portfolios in the worldwide fixed-income, equity, and other investment markets, combined with periodic rebalancing. Our advisers create an investment strategy with each Client, outlining the investment philosophy, management procedures, and

long-term goals for the investor. Portfolio design is tailored to each Client's risk tolerance, financial situation, and preferences.

We believe a diversified portfolio that is consistent with your risk tolerance, time horizon and goals and objectives is essential. Our financial professionals seek to educate you on your choices, personally engage with you to keep connected and regularly assess your portfolio for alignment with your financial plan. Your unique circumstances and personal objectives dictate the method of investing, as well as the types of strategies chosen. You must notify us of any changes to your circumstances. Any restrictions and guidelines set by the Client may affect the composition of your portfolio.

**Asset Allocation:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of mutual funds, ETFs, equities, options, fixed income, cash, and other investments suitable to the client's investment goals and risk tolerance. Additionally, we incorporate an analysis of current market data and valuations of various market sectors and asset categories to identify investment opportunities as well as pitfalls.

**Risks:**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized. Stock, bond, and other investment markets fluctuate substantially over time. In addition, the performance of any investment is not guaranteed.

**Types of Investments and Risks**

- **Market Risk.** This is the risk that the value of securities owned by an investor goes up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk.** This is the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk.** This is the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Issuer-Specific Risk.** This is the risk that the value of an individual security or particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole.

- **Investment Company Risk** - Investment companies include open-end and closed-end investment companies. Shares in investment companies represent interests in professionally managed portfolios. These investments involve substantially the same risks as investing directly in the underlying instruments; in addition, the return from such an investment will be reduced by the operating expenses and fees of the investment company, including applicable advisory fees.
- **Equity Investment Risk.** Equity securities include common stocks, preferred stocks, convertible securities, and mutual funds that invest in these securities. Equity markets can be volatile. Stock prices rise and fall based on changes in an individual company's financial condition and overall market conditions. Stock prices can decline significantly in response to adverse market conditions, company-specific events, and other domestic and international political and economic developments.
- **Bond Risk.** Rising interest rates will generally cause the prices of bonds and other debt securities to fall. In addition, falling interest rates can result in an issuer redeeming, calling or refinancing a security before its stated maturity. Longer maturity debt securities are subject to greater price fluctuations than shorter maturity debt securities. Bonds and other debt securities are subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. Lower quality debt securities generally have higher rates of interest and are subject to greater price fluctuations than higher quality debt securities.
- **Sector Risk.** To the extent a client account invests more heavily in particular sectors, industries, or sub-sectors of the market, its performance will be especially sensitive to developments that significantly affect those sectors, industries, or sub-sectors. An individual sector, industry, or sub-sector of the market can be more volatile, and perform differently, than the broader market. The several industries that constitute a sector can all react in the same way to economic, political, or regulatory events. A client account's performance could be affected if the sectors, industries, or sub-sectors do not perform as expected. Alternatively, the lack of exposure to one or more sectors or industries can adversely affect performance.
- **Alternative Strategy Mutual Funds.** Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies is not suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry. These types of funds tend

to have higher expense ratios than more traditional mutual funds. They also tend to be newer and have less of a track record or performance history.

- ***Exchange-Traded Funds (ETFs)***. ETFs are typically investment companies that are legally classified as open-end mutual funds or UITs. However, they differ from traditional mutual funds in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. ETF shares trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. ETFs can be closed and liquidated at the discretion of the issuing company.

It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. Investing in securities involves the risk of loss that clients should be prepared to bear.

## **Item 9: Disciplinary Information**

Members' Wealth has no legal or disciplinary events to report that would impact the evaluation by a client or investor (or potential client or investor) of Members' Wealth's advisory business or the integrity of our management.

## **Item 10: Other Financial Industry Activities and Affiliations**

Members' Wealth does not currently have any affiliates.

## **Item 11: Code of Ethics**

Members' Wealth has adopted a Code of Ethics for all supervised persons of the Firm describing its high standards of business conduct and fiduciary duty to its clients. The Code includes provisions relating to the confidentiality of client information, a prohibition on insider trading, guidelines surrounding gifts and business entertainment, personal securities trading, and conflicts of interest, among other things. All supervised persons must acknowledge the terms of the Code initially upon hire as well as annually, or as amended.

Our Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of our employees will not interfere with making decisions in the best interest of advisory clients.

Employees are permitted to maintain personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest is consistent with the Firm's personal trading guidelines and applicable regulatory requirements. Employees of the firm are permitted to buy or sell for their personal accounts securities similar to those recommended to or owned by clients. All reportable transactions are reported to the Compliance Officer in accordance with the reporting requirements outlined in the Code and personal trading is monitored in order to reasonably prevent conflicts of interest between Members' Wealth and its clients.

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

## **Item 12: Brokerage Practices**

Members' Wealth generally recommends Clients use Fidelity as their custodian. Members' Wealth does not have the discretion to select a broker/dealer or commission rates.

Factors which Members' Wealth considers in recommending Fidelity or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by Fidelity may be higher or lower than those charged by other Financial Institutions.

Members' Wealth receives support services and/or products from Fidelity, which consists of:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support

These support services are provided to Members' Wealth based on the overall relationship between Members' Wealth and Fidelity. It is not the result of soft dollar arrangements or any other express arrangements that involve the execution of client transactions as a condition of the receipt of services. Members' Wealth will continue to receive the services regardless of the volume of client transactions executed with Fidelity. Clients do not pay more for services as a

result of this arrangement. The receipt of these benefits from Fidelity creates a conflict of interest. The receipt of these products and services presents a financial incentive for Members' Wealth to recommend that its clients use Fidelity's custodial platform rather than another custodian's platform.

**Soft Dollar Arrangements:** Members' Wealth does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions.

**Brokerage for Client Referrals:** Members' Wealth does not recommend broker-dealers to clients based on our interest in receiving client referrals.

**Trade Allocation and Aggregation:** Members' Wealth generally aggregates, or places "block" orders for execution at the same time within a particular investment strategy. Members' Wealth believes this practice enables the Adviser to seek more favorable executions and net prices for the combined order. All block orders are subject to Members' Wealth order aggregation and allocation policy and procedures. The decisions are made to recommend, purchase, sell, or hold securities for its investment strategies, based on the specific investment objectives, guidelines, restrictions, and market conditions. Members' Wealth believes that aggregating orders will be beneficial as a whole by lowering the commissions for the aggregate transaction. Aggregation typically benefits the accounts because of the much larger volume discount obtainable with the aggregate transaction than that possible with the single account. However, in any particular instance, aggregation may result in a less favorable price or execution for any particular Client than might have been obtained if a particular transaction had been effected separately. Accounts for Clients and or personnel that are managed independent of the Adviser's investment strategies are not aggregated with those trades placed within a particular investment strategy. Members' Wealth trade allocation policy promotes fair and equitable allocation of trades among accounts with no Client or group of Clients being favored or disfavored. As the Firm is allocating securities within a particular investment strategy, the trade allocation is predetermined before the trades are entered. Once the trade(s) are executed, the Adviser will allocate according to the predetermined allocation. If a particular security cannot be allocated in accordance with the predetermined allocation, Members' Wealth will allocate the shares in a fair and equitable manner.

**Mutual Fund Share Class Selection:** Mutual funds generally offer multiple share classes available for investment based upon certain eligibility and/or purchase requirements. For instance, in addition to retail share classes (typically referred to as class A, class B and class C shares), funds may also offer institutional share classes or other share classes that are specifically designed for purchase by investors who meet certain specified eligibility criteria, including, for example, whether an account meets certain minimum dollar amount. Institutional

share classes usually have a lower expense ratio than other share classes. When recommending investments in mutual funds, it is our policy to review and consider available share classes. The Firm's policy is to select the most appropriate share classes based on various factors including but not limited to: minimum investment requirements, trading restrictions, internal expense structure, transaction charges, availability and other factors. When considering all the appropriate factors we can select a share class other than the 'lowest cost' share class. In order to select the most appropriate share class, we consider retail, institutional or other share classes of the same mutual fund. Regardless of such considerations, clients should not assume that they will be invested in the share class with the lowest possible expense ratio. Clients should ask their adviser whether a lower cost share class is available instead of those selected by the Firm. We periodically review the mutual funds held in client accounts to select the most appropriate share classes in light of its duty to obtain best execution.

### **Item 13: Review of Accounts**

While the underlying securities within Investment Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each Client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances, or the market, political or economic environment. The Members' Wealth investment adviser representative for your account will perform the review.

In addition to the quarterly statements and confirmations that you receive from your custodian, Members' Wealth will provide quarterly reports summarizing account performance, balances, and holdings.

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

Members' Wealth does not compensate any unrelated persons for client referrals.

### **Item 15: Custody**

Members' Wealth is deemed to have custody over a client's assets when it is authorized to directly debit a client's account for payment of our firm's management fee. Our firm's agreement requires the Client to appoint a qualified custodian to receive and have possession of the assets of the Account. In accordance with applicable custody rules, custodians are required to send a statement to clients, not less than quarterly, indicating all amounts paid to our firm. Members' Wealth also sends periodic reports to clients. Clients are advised to

carefully review the statements and confirmations sent directly by the custodian and to compare them with any reports received from our firm.

### **Item 16: Investment Discretion**

Members' Wealth provides management services on a discretionary basis. The client authorizes the Adviser to have discretion by signing an Investment Management Agreement.

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

Members' Wealth does not accept proxy voting authority with respect to client securities.

### **Item 18: Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about the firm's financial condition. Members' Wealth does not require or solicit prepayment of fees more than six months in advance. Additionally, Members' Wealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been subject to a bankruptcy proceeding.