

## Item 1 Cover Page

Mendoza Private Wealth  
8333 NW 53<sup>rd</sup> Street, Suite 450  
Miami, FL 33166  
[www.mendozaprivatewealth.com](http://www.mendozaprivatewealth.com)

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**This brochure provides information about the qualifications and business practices of Mendoza Private Wealth, CRD# 329126. If you have any questions about the contents of this brochure, please contact us at (305) 503-5133. 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 as a registered investment advisor does not imply a certain level of skill or training.**

**Additional information about Mendoza Private Wealth also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 Material Changes**

This is a new brochure and there has not been a previous annual update. Therefore, there are no changes to report.

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#### **Item 4 Advisory Business**

Mendoza Private Wealth is an investment advisor firm that was formed in 2016 and has a registration pending with the SEC.

The principal owner of Mendoza Private Wealth is Ivan M. Mendoza, Managing Principal.

##### Advisory Services

Mendoza Private Wealth's ("Advisor") principal service is providing fee-based investment advisory services and financial planning services. The Advisor practices custom management of portfolios, on a discretionary basis, according to the client's objectives. The Advisor's primary approach is to use a tactical allocation strategy aimed at reducing risk and increasing performance. The Advisor may use any of the following: exchange listed securities, over-the-counter securities, foreign securities, corporate debt securities, CDs, municipal securities, United States government securities, and options on securities to accomplish this objective. The Advisor may recommend, on occasion, redistributing investment allocations to diversify the portfolio in an effort to reduce risk and increase performance. The Advisor may recommend specific stocks to increase sector weighting and/or dividend potential. The Advisor may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. The Advisor may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

##### Qualified Retirement Plan Services

Mendoza Private Wealth will evaluate Plans and their operations including its Trustee, custodial and recordkeeping arrangements; design; fiduciary compliance program; costs and fees associated with investments and service providers; required and elective contributions; employee communication and education program, and; investment selection and monitoring process, including its investment policy statement, hereinafter referred to as the "IPS." With regard to the IPS, the Advisor will assist the Plan Sponsor in adopting a suitable IPS, amending it from time to time, and will provide information and recommendations, consistent with the IPS, to aid the Plan Sponsor in selecting and monitoring investments offered to Participants in the Plan. Information and recommendations will be based on data as of the end of each calendar quarter. Within a reasonable period of time following each calendar quarter, the Advisor will provide the Plan Sponsor with a written report detailing, at a minimum, all costs and fees associated with investments and operation of the Plan, and information and recommendations, consistent with the IPS, for the Plan Sponsor's selection, deletion and replacement of investments offered to Participants in the Plan. Mendoza Private Wealth provides both ERISA Section 3(38) fiduciary services (discretionary) and Section 3(21) fiduciary services (non-discretionary) to Plans depending on the type of retirement plan.

The Advisor's roles and actions in fulfilling all responsibilities pertaining to this Agreement shall not include those of the Plan's Trustee, and will be performed solely at the direction of the Plan Sponsor, its authorized officers, employees and/or agents. At no time will the Advisor accept, maintain possession of, or have custodial responsibility for, the Plan's assets. The Advisor will not advise, in any manner, any Participant, person or entity related to the Plan other than the Plan

Sponsor unless the Participant, person or entity is also an advisory client of Mendoza Private Wealth. Communicational and educational activities in which the Advisor engages related to Participants in the Plan shall be solely at the direction of the Plan Sponsor, and shall not be represented by the Advisor or Plan Sponsor as investment, tax or legal advice. The Advisor is not licensed to provide, shall not provide, nor be construed to provide, the services of an attorney or accountant.

#### Selection of Other Advisors

Mendoza Private Wealth may recommend and refer clients to unaffiliated money managers or investment advisors through Managed Account programs sponsored by a third-party provider. In these arrangements, the client will then enter into a program and investment advisory agreement with the program sponsor and sub-advisors. Mendoza Private Wealth will assist and advise the client in establishing investment objectives for the sub-advisors and continue to provide oversight of the client account and ongoing monitoring of the activities of the sub-advisors. The sub-advisors will develop an investment strategy to meet those objectives by identifying appropriate investments and monitoring such investments. In consideration for such services, the program sponsor will charge a program fee that includes the investment advisory fee of the sub-advisors, the administration of the program and trading, clearance and settlement costs. The program sponsor will add Mendoza Private Wealth's investment advisory fee (described below in Item 5) and will deduct the overall fee from the client account quarterly in advance based on the fair market value at the end of the quarter. The asset-based program fee is tiered and varies depending on the size of the account, the asset class of the underlying securities and the sub-advisor selected.

Mendoza Private Wealth will ensure that all third-party money managers recommended to clients will be either an investment advisor registered with the SEC, applicable state securities regulators, or exempt from such registrations. The client, prior to entering into an agreement with a third-party money manager selected by Mendoza Private Wealth, will be provided with that manager's disclosure documents. In addition, Mendoza Private Wealth and its client will agree in writing that the client's account will be managed by that selected third-party money manager on a discretionary basis.

#### Financial Planning

In addition to investment management services, Mendoza Private Wealth may provide financial planning services to some of its clients. The Advisor's financial planning services may include recommendations for portfolio customization based on the client's investment objectives, goals and financial situation, recommendations relating to investment strategies as well as tailored investment advice. Financial planning may also include non-investment advice such as developing strategies to achieve retirement or other financial goals, tax optimization strategies, cash flow and budgeting analysis and recommendations, financing and financial education, estate planning, and asset protection strategies.

Mendoza Private Wealth will tailor its advisory services to its client's individual needs based on meetings and conversations with the client. If clients wish to impose restrictions on investing in certain securities or types of securities, the Advisor will address those restrictions with the client to have a clear understanding of the client's requirements.

Mendoza Private Wealth does not provide portfolio management services to wrap fee programs.

As of the approval date of the firm, Mendoza Private Wealth had no clients and therefore no client assets under management.

## **Item 5 Fees and Compensation**

### Asset Management Fees

Pursuant to an Investment Advisory contract signed by each client, the client will pay Mendoza Private Wealth an annual management fee, payable quarterly in advance, based on the value of portfolio assets of the account managed by the Advisor as of the opening of business on the first business day of each quarter. The management fee may be adjusted to account for significant contributions or withdrawals made to the account during the quarter. New account fees will be prorated from the inception of the account to the end of the first quarter.

Management fees range up to 1.50% per annum depending on the type and complexity of the investment management strategy employed as well as the size of the account or overall client relationship. These fees may be negotiated by Mendoza Private Wealth at its sole discretion. The client will give written authorization permitting the Advisor to be paid directly from their account held by the custodian. The custodian will send a statement at least quarterly to the client. Where it is not practical to deduct fees directly from client accounts, client will be sent an invoice at the beginning of each quarter. The invoice is payable upon receipt.

### Hourly Fee

Some clients will contract to have investment management advice and/or financial planning advice provided based on an hourly fee rather than based on the assets under management. The Advisor's hourly fee will be billed at a rate of \$500 per hour, but may be negotiated in advance. The Advisor's hourly fees will be negotiated and agreed upon by the parties in advance. Hourly fee clients are billed half of the fee (based on an estimate of the hours required) in advance, and the remainder upon completion of work performed.

### Fixed Fees

Mendoza Private Wealth will charge a fixed fee for comprehensive financial planning services of up to \$30,000 per plan. The fee will depend on factors such as the complexity of the client's financial situation, and the scope of the services required to complete the plan. Fixed fees may be negotiated at the discretion of the Advisor. Fixed fee clients are billed half in advance, and the remainder on completion of the work and delivery of the plan. All work will be completed and plans delivered within six months of commencement of the engagement.

All fees paid to Mendoza Private Wealth for investment management services are separate and distinct from the expenses charged by exchange traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Advisor's fee is separate and distinct from the custodian and execution fees.

At no time will Mendoza Private Wealth accept or maintain custody of a client's funds or securities except for authorized fee deduction.

Mendoza Private Wealth's fees are payable in advance. Upon termination, any fees paid in advance will be prorated to the date of termination and any unearned fees will be refunded to client.

Where acting in the capacity of an insurance agent, investment advisor representatives (IARs) of Mendoza Private Wealth may effect insurance transactions for typical and customary compensation. This practice presents a conflict of interest by creating an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Clients of Mendoza Private Wealth are not required to utilize the IARs in their capacity as insurance agents for the purchase of investment products. Mendoza Private Wealth has established a Code of Ethics to address conflicts of interest. See the response to Item 11 below for more information on the Code of Ethics. A client may be able to invest in products recommended by the firm directly, without the services of Mendoza Private Wealth. In that case, the client would not receive the services provided by Mendoza Private Wealth which are designed, among other things, to assist the client in determining which products or services are most appropriate to each client's financial condition and objectives. Clients should be aware that commissions from the sale of investment products does not represent 50% or more of the revenues received by Mendoza Private Wealth. Mendoza Private Wealth does not charge advisory fees on client assets invested in insurance products.

#### **Item 6 Performance-Based Fees and Side-by-Side Management**

Mendoza Private Wealth does not charge performance-based fees.

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

The Advisor will offer its services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

The Advisor's cumulative minimum account requirement for opening and maintaining an account is \$500,000. However, the Advisor may accept accounts with a lower value at its sole discretion.

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

Mendoza Private Wealth's investment strategies are described in Item 4. The Advisor may utilize fundamental, technical or cyclical analysis techniques in formulating investment advice or managing assets for clients.

Fundamental analysis of a business involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives: to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions; and to calculate its credit risk.

Technical analysis is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict future (usually short-term) market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

Cyclical analysis of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

The investment strategies will be implemented using techniques including long-term purchases of securities held at least for one year, short-term purchases for securities sold within a year, and option writing.

Clients need to be aware that investing in securities involves risk of loss that clients need to be prepared to bear.

The methods of analysis and investment strategies followed by the Advisor are utilized across all of the Advisors clients, as applicable. One method of analysis or investment strategy is not more significant than the other as the Advisor is considering the client's portfolio, risk tolerance, time horizon and individual goals. However, the client should be aware that with any trading that occurs in the client account, the client will incur transaction and administrative costs.

Investing includes the risk that the value of an investment can be negatively affected by factors specifically related to the investment (e.g., capability of management, competition, new inventions by other companies, lawsuits against the company, labor issues, patent expiration, etc.), or to factors related to investing and the markets in general (e.g., the economy, wars, civil unrest or terrorism around the world, concern about oil prices or unemployment, etc.).

Risks of fundamental analysis may include risks that market actions, natural disasters, government actions, world political events or other events not directly related to the price or valuation of a specific company's fundamental analysis can adversely impact the stock price of a company causing a portfolio containing that security to lose value. Risks may also include that the historical data and projections on which the fundamental analysis is performed may not continue to be relevant to the operations of a company going forward, or that management changes or the business direction of management of the company may not permit the company to continue to produce metrics that are consistent with the prior company data utilized in the fundamental analysis, which may negatively affect the Advisor's estimate of the valuation of the company.

The primary risks in technical analysis are that the factors used to analyze the price, trends and volatility of a security may not be replicated, or the outcomes of such analysis will not be the same as in past periods where similar combinations existed. Because of the reliance on trends, technical analysis can signal buying at market peaks and selling at market troughs.



In cyclical analysis, economic or business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. Also, the lengths of the economic cycles may be difficult to predict with accuracy. 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.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product have different risks and returns. Differences include how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be. The primary risks faced by investors include:

#### Business Risk

With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

#### Volatility Risk

Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

#### Inflation Risk

Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

#### Interest Rate Risk

Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

#### Liquidity Risk

This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

The Advisor does not primarily recommend a particular type of security. However, clients are advised that many unexpected broad environmental factors can negatively impact the value of portfolio securities causing the loss of some or all of the investment, including changes in interest rates, political events, natural disasters, and acts of war or terrorism. Further, factors relevant to specific securities may have negative effects on their value, such as competition or government regulation. Also, the factors for which the company was selected for inclusion in a client portfolio may change, for example, due to changes in management, new product introductions, or lawsuits.

### **Item 9 Disciplinary Information**

Neither Mendoza Private Wealth nor its management persons have any legal or disciplinary events to report.

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

Neither Mendoza Private Wealth nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Mendoza Private Wealth does not currently have any relationships or arrangements that are material to its advisory business or clients with either a broker-dealer, municipal securities dealer, or government securities dealer or broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund” and offshore fund), other investment advisor or financial planner, futures commission merchant, commodity pool operator, or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, pension consultant, real estate broker or dealer or sponsor of syndicator of limited partnerships.

IARs of Mendoza Private Wealth are also licensed and registered as insurance agents to sell life, accident and other lines of insurance for various insurance companies. Therefore, they will be able to purchase insurance products for any client in need of such services and will receive separate, yet typical compensation in the form of commissions for the purchase of insurance products. This creates a conflict of interest because the IARs may be incentivized to make recommendations based upon the compensation received rather than upon the client’s best interests. Clients are not obligated to use Mendoza Private Wealth or its IARs for insurance products services. However, in such instances, there is no advisory fee associated with these insurance products, and clients will be made aware of all commissions associated with the products prior to the transactions.

Mendoza Private Wealth does recommend or select other investment advisors for clients. For more specific detail see the response to 4 above.

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

Mendoza Private Wealth is registering with the SEC and maintains a Code of Ethics pursuant to SEC rule 204A-1 that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the Advisor. In addition, the Code of Ethics governs personal trading by each employee of Mendoza Private Wealth deemed to be an Access Person and is intended to ensure that securities transactions effected by Access Persons of Mendoza Private Wealth are conducted in a manner that avoids any conflict of interest between such persons and clients of the Advisor or its affiliates. Mendoza Private Wealth collects and maintains records of securities holdings and securities transactions effected by Access Persons. These records are reviewed to identify and resolve conflicts of interest. Mendoza Private Wealth will provide a copy of the Code of Ethics to any client or prospective client upon request.

Mendoza Private Wealth does not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest.

Mendoza Private Wealth and/or its IARs may from time to time purchase or sell products that they may recommend to clients. This practice creates conflicts of interest in that personnel of Mendoza Private Wealth can take advantage of the advance knowledge of firm securities trading and trade their personal accounts ahead of the client trades or recommend trades in client accounts that may affect the price of the securities owned by the IARs. To mitigate these conflicts, Mendoza Private Wealth has adopted a Code of Ethics as noted above. Mendoza Private Wealth's Code of Ethics is available upon request. Finally, supervised persons of registered investment advisors are fiduciaries by law and are required to put the client's interest before those of the firm and themselves.

Mendoza Private Wealth requires that its IARs follow its basic policies and ethical standards as set forth in its Code of Ethics.

IARs of Mendoza Private Wealth may trade for their own accounts securities that are being traded for client accounts at or about the same time. To mitigate the conflict of interest in such circumstances, Mendoza Private Wealth's policy is to require the trading of all relevant client accounts prior to the trading of their own accounts. The Chief Compliance Officer examines personal trading activities of Mendoza Private Wealth's personnel to verify compliance with this policy.

## **Item 12 Brokerage Practices**

### **The custodian and brokers we use**

Mendoza Private Wealth does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/ broker, you will decide whether to do so and will open your account with Schwab by entering into an account Agreement directly with them. Conflicts of interest associated with this arrangement are described below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see “Your brokerage and custody costs”).

### **How we select brokers/custodians**

We recommend Schwab, a custodian/ broker, to hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades ( buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded 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 (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

### **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, mutual funds and ETFs) do 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.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, 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 "How we select brokers/custodians"). By using another broker or dealer you may pay lower transaction costs.

### **Products and services available to us from Schwab**

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.

However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us. 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. Following 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 do not directly benefit you.** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We 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

**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 and business needs
- Consulting on legal and compliance related needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support
- Recruiting and custodial search consulting

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. If you did not maintain your account with Schwab, we would be required to pay for those services from our own resources.

**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. Schwab has also agreed to pay for certain technology, research, marketing, and compliance consulting products and services on our behalf once the value of our clients' assets in accounts at Schwab reaches certain thresholds. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate our recommendation 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.

Mendoza Private Wealth does not receive client referrals from any broker-dealer or third party as a result of the firm selecting or recommending that broker-dealer to clients.

Mendoza Private Wealth does not permit clients to direct brokerage except for choosing the custodian at the outset of the relationship.

Mendoza Private Wealth may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g., for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of Mendoza Private Wealth's investment advisory agreements. Equity trades are blocked based upon fairness to client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. Mendoza Private Wealth may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

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

The firm reviews client accounts on an annual basis, or when conditions would warrant a review based on market conditions or changes in client circumstances. Triggering factors may include Mendoza Private Wealth becoming aware of a change in client's investment objectives, a change in market conditions, change of employment, or a change in recommended asset allocation weightings in the account that exceed a predefined guideline. Financial plans, once delivered, are not reviewed unless the client requests a review. Client accounts are reviewed by Ivan M. Mendoza, Managing Principal.

The client is encouraged to notify the Advisor and Investment Advisor Representative if changes occur in his/her personal financial situation that might materially affect his/her investment plan.

The client will receive written statements no less than quarterly from the custodian. In addition, the client will receive other supporting reports from asset managers, trust companies or other custodians, insurance companies, broker-dealers, and others who are involved with client accounts. Mendoza Private Wealth will prepare and deliver separate reports to clients when requested or as part of periodic client meetings. Clients are urged to compare the account statements they receive from the qualified custodian with the reports they receive from Mendoza Private Wealth. Any discrepancies should be immediately brought to the firm's attention.

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

Mendoza Private Wealth receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. In addition, Schwab has also agreed to pay for certain products and services for which we would otherwise have to pay once the value of our clients' assets in accounts at Schwab reaches a certain size. You do not pay more for assets maintained at Schwab as a result of these arrangements. However, we benefit from the arrangement because the cost of these services would otherwise be borne directly by us. You should consider these conflicts of interest when selecting a custodian. The products and services provided by Schwab, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

Mendoza Private Wealth does not directly or indirectly compensate any person who is not a supervised person for client referrals.

## **Item 15 Custody**

Mendoza Private Wealth does not have custody of client funds or securities, except for the withdrawal of advisory fees directly from client accounts (please see Item 5 which describes the safeguards around direct fee deduction). However, as noted in Item 13 above, clients will receive statements not less than quarterly from the qualified custodian, and we encourage you to review those statements carefully. Any discrepancies should be immediately brought to the firm's attention.

## **Item 16 Investment Discretion**

Mendoza Private Wealth generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client for each transaction. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by Mendoza Private Wealth.

Discretionary authority will only be provided upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by Mendoza Private Wealth will be in accordance with each client's investment objectives and goals.

## **Item 17 Voting Client Securities**

Mendoza Private Wealth will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, Mendoza Private Wealth cannot give any advice or take any action with respect to the voting of these proxies. The client and Mendoza Private Wealth agree to this by contract. Clients will receive proxy solicitations from their custodian and/or transfer agent.



## **Item 18 Financial Information**

Mendoza Private Wealth does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and is not required to file a balance sheet.

Mendoza Private Wealth has discretionary authority over client accounts and is not aware of any financial condition that will likely impair its ability to meet contractual commitments to clients. If Mendoza Private Wealth does become aware of any such financial condition, this Brochure will be updated and clients will be notified.

Mendoza Private Wealth has never been subject to a bankruptcy petition.