



**Form ADV Part 2A  
Disclosure Brochure**

**Mathis Wealth Management  
Mathis Public Safety Retirement**

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This brochure provides information about the qualifications and business practices of Mathis Wealth Management and Mathis Public Safety Retirement, both of which are trade names of Larry Mathis Financial Planning, L.L.C. (collectively "Mathis") If you have any questions about the contents of this brochure please call us at (602) 393-0501 or email us at [larry@mathiswealth.com](mailto:larry@mathiswealth.com). 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.

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

Mathis is a state licensed investment advisor. Registration or licensing as an investment advisor does not imply a certain level of skill or training.

## **Item 2. Material Changes**

The following changes have been made to this document since its last annual updating amendment:

- The maximum advisory fee for accounts held at AFS was updated.
- Item 15 was updated to indicate that the firm is deemed to have custody of certain clients' assets due to guidance provided by the SEC in its February 21, 2017 no-action letter to the Investment Adviser Association. In these cases, clients have signed asset transfer authorizations permitting the custodian of the clients' accounts to rely upon instructions from SFR to direct the transfer of client funds to "third-parties", which generally are client-related accounts that are not in the exact same registration or which may include other parties, such as spouses. The firm complies with the seven safeguarding conditions established by the SEC with respect to these accounts.
- Item 19, "Requirements for State-Registered Advisers" has been deleted as the firm is registering with the Securities and Exchange Commission.
- Item 7 was updated with respect to the minimum assets under management needed for the acceptance of new clients by Larry Mathis personally.
- Item 5 was updated to include the following information concerning the billing on cash positions and periods of portfolio inactivity:

### ***Billing on Cash Positions***

The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

### ***Periods of Portfolio Inactivity***

The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, financial impact to the client of taxable gains, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

- Item 10 was updated to reflect Larry Mathis's temporary affiliation with United Planners Financial Services as an investment adviser representative.

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

Mathis Wealth Management and Mathis Public Safety Retirement, both trade names of Larry Mathis Financial Planning (collectively, **Mathis**), is an investment advisor providing financial planning, financial consulting, third-party investment advisor referral services, investment management services and retirement plan services to its clients. Depending upon the engagement, Mathis offers its services on a fee basis which include fixed fee, hourly fees, referral fees and fees based upon assets under management.

Mathis is located in Phoenix, Arizona and began operations as an investment advisor in September, 2014. Larry Mathis is the sole owner and Manager of Larry Mathis Financial Planning, L.L.C. Please see Item 10 below for more information about Mathis.

Mathis, through its investment advisor representatives (**IARs**), offers personalized investment advisory services to clients based on the individual needs of the client. When managing client accounts or making recommendations to clients, Mathis takes into consideration the following factors: the client's financial situation, investment objectives and risk tolerance levels, goals and objectives. Mathis's services and fee arrangements are described in the following pages.

#### **Financial Planning and Consulting Services**

##### ***Financial Planning Services***

Mathis provides a financial planning service designed to assist clients in identifying and taking steps to meet their financial and related goals. This service is provided through series of one-on-one meetings with a Mathis representative in which the client provides information concerning their financial situation, identifies goals and objectives, is informed of relevant financial concepts and strategies, including how to more efficiently handle specific financial areas, and is given specific recommendations. The primary objective of this process is to allow Mathis to assist the client in developing a strategy for the successful management of income, assets and liabilities in meeting the client's stated financial goals and objectives.

Depending on the client's situation and needs, Mathis's financial planning services may include advice in one or more of the following areas:

- Retirement Planning
- Income Planning
- Tax Planning
- Asset Protection and Risk Management
- Investment Planning
- Estate Planning
- Educational Planning

##### ***Financial Consulting Services***

Mathis may also provide financial consulting services, where an IAR of Mathis provides a professional opinion on one or more specific financial related matters at the clients' request.

The client will receive consultations only with respect to the specific financial area agreed upon to be reviewed and/or analyzed. Under the financial consulting arrangement, a written financial analysis and/or recommendations may or may not be provided to the client.

Financial planning and consulting services are based on financial and other information disclosed by the client to Mathis. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Clients should keep in mind that past performance is in no way an indication of future performance and that Mathis cannot offer any guarantees or promises that the client's financial goals and objectives will be met.

As the client's financial situation, goals, objectives, or financial needs change, the client must notify Mathis promptly.

### **General Information Regarding the Use of Independent Investment Advisors**

Mathis has three alternatives by which client accounts may be managed by one or more unaffiliated investment advisors. The first alternative, which is referred to below as the Third-party Investment Advisor Referral Service, is whereby Mathis acts as a solicitor for the third-party investment advisor. The second, which is provided for under Mathis's Investment Management Services discussed below, is whereby the client establishes a brokerage account at Charles Schwab & Co., Inc. (**Schwab**) and, with Mathis's assistance, appoints an independent investment manager to manage the client's account. The third, also provided for under Mathis's Investment Management Services below, is whereby the client utilizes the brokerage and custodial services of Axos Advisor Services (**Axos**) and Mathis selects an independent manager for the management of some or all of the client's account. Please see Item 12 below for more complete information concerning these various brokerage/custodial arrangements.

### **Third-party Investment Advisor Referral Services**

Mathis may enter into agreements with one or more third-party investment advisors (**TPIAs**) for the management of client accounts. Under these agreements, Mathis offers clients various types of programs sponsored by these advisors. All TPIAs to whom Mathis will refer clients will be licensed as investment advisors in the client's home state, registered as investment advisors with the Securities and Exchange Commission (**SEC**) or otherwise exempt from such licensing or registration. Mathis does not accept discretionary authority to select TPIAs or TPIA programs without obtaining specific client consent.

After gathering information about a client's financial situation and investment objectives, Mathis may recommend specific services or programs of TPIAs to clients that are suitable and appropriate for the client based on the clients' individual needs and circumstances, including investment objectives and risk tolerance levels, as they have made them known to Mathis. Factors that Mathis takes into consideration when making such recommendations include, but are not limited to, the TPIA's performance, methods of analysis and fees. Mathis periodically reviews the TPIA and its performance for continued consistency with the client's investment objectives and risk tolerances.

At the time of the referral, clients who are referred to TPIAs will receive the respective TPIA's Form ADV Part 2 disclosure brochure and/or other relevant disclosure documents. These documents are designed to provide complete disclosure of the TPIA, including services rendered, frequency of billing, fee schedules, compensation to be paid to Mathis as a result of the referral and whether the client may impose restrictions on investing in certain securities or types of securities.

### **Investment Management Services**

Mathis provides investment management services for client accounts in which the investments in the client's account are managed by either Mathis or an independent investment manager. Mathis's investment management services involve the ongoing active management of the client's portfolio in accordance with the investment objectives of the client. Investment management services are provided through accounts maintained at the custodian of the client's account (please see Item 12 of this brochure for more information regarding custodian selection). Independent investment managers currently used by Mathis include Manning & Napier. Clients must specifically authorize the selection of independent investment managers for accounts held at Schwab. While Mathis will have discretionary authority to select the independent manager without obtaining specific client consent for accounts held at Axos, Mathis will generally discuss the use of specific independent managers with the client prior to such selection.

Under the client's Investment Management Services Agreement, the client will grant Mathis and/or the selected independent investment manager trading authorization over the client's account. While Mathis may provide advice about any type of investment held in the client's portfolio during the advisory relationship, Mathis typically uses no-load, load-waived, or institutional class mutual funds or exchange traded funds (**ETFs**), stocks and bonds in the construction of portfolios for accounts in its investment management services. However, Mathis is not limited to such securities and may use other securities in Client's account should Mathis determine they are in the best interest of the Client. Independent

investment managers may use these or other securities, including stocks, bonds or other types of investments, depending on the client's investment objectives and the independent investment manager's management style. Factors that Mathis considers in recommending independent managers include the client's stated investment objective(s) and risk tolerance level, as well as the independent manager's management style, performance, reputation, financial strength, among other things.

Once the portfolio is constructed, Mathis provides ongoing monitoring of the portfolio and/or independent manager as changes in market conditions and client circumstances may require.

Please note that the firm does not act as an investment manager pursuant to any wrap fee program.

As of June 30, 2023, Mathis had \$105.864 million in discretionary assets under management and \$3.847 million in non-discretionary assets under management. Additionally, as a solicitor, the firm has \$10.142 million in assets managed by Manning & Napier as of December 31, 2022.

### **Retirement Plan Services**

Mathis may provide ERISA fiduciary and/or ERISA non-fiduciary services to retirement plans (i.e., 401k plans, 403b plans, etc.). Retirement plans may or may not be subject to the U.S. Department of Labor's Employee Retirement Income Security Act (**ERISA**). To the extent that Mathis provides fiduciary services to ERISA plans, Mathis acknowledges its status as a fiduciary under ERISA.

Retirement plan documents typically designate one or more persons, such as the plan trustee(s), to undertake fiduciary responsibility for the operation of the retirement plan. Such persons are known as Responsible Plan Fiduciaries (**RPFs**). Neither Mathis nor any Mathis IAR may act in the capacity of an RFP on behalf of a client's retirement plan. Pursuant to a Retirement Plan Services Agreement (**RPSA**), Mathis can offer the following types of services to a retirement plan. Please refer to the agreement for a more detailed description of these different types of services.

- a. Fiduciary Services
  - Assessment and/or Monitoring of Investments
  - Investment Policy Statement Design
  - Participant Investment Advice
  - Selection of Investments
- b. ERISA Non-Fiduciary Services
  - Employee Education
  - Employee Enrollment
  - Investment Policy Statement/Plan Review
  - Investment Research
  - Third Party Service Provider Liaison
  - Vendor Review/Conversion

### **Fiduciary Status**

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.

### **Conflict of Interest**

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. For example, if you roll over an IRA or 401k account to our firm or otherwise transfer any other account to our firm, we will charge your account and make money. If you decide to not roll over the IRA or other account to our program, we

will not make money. Therefore, we have a financial incentive to recommend that you to move your account to our program even if it is not in your best interest.

### **Item 5. Fees and Compensation**

Prior to engaging Mathis to provide any investment advisory services, the client will be required to enter into one or more written agreements with Mathis setting forth the terms and conditions under which Mathis shall render its services.

#### **Financial Planning and Consultation Services Fees**

Mathis charges a fixed fee ranging from \$1,200 to \$5,000 for its financial planning services. This fee may vary depending on the complexity of the client's financial situation and financial needs and is agreed upon prior to the start of the financial planning relationship. One-half of the agreed upon financial planning fee is due in advance as a retainer for services to be rendered with the balance to be billed to the client upon completion of the services.

Financial consultation services are provided for at an hourly fee of \$250 per hour, to be paid directly by the client (i.e., such fees are not billed to the client's account). While Mathis generally bills its hourly fees upon delivery of the requested services, Mathis reserves the right to request a deposit of one-half of the estimated total hourly fee upon the client's execution of the Client Service Agreement, with the balance due upon delivery of the requested services. In certain circumstances, all fees may be negotiable.

Mathis may waive or reduce current or future financial planning or consulting fees for clients who engage Mathis or its IARs for other services. In addition, certain affiliated persons of Mathis and family members and personal acquaintances of Mathis's affiliated persons may receive financial consultation services at a discounted rate which is not available to advisory clients generally.

The Financial Planning & Consulting Agreement automatically terminates upon delivery of the requested Financial Planning or Financial Consulting Services. Prior to the delivery of the requested services, either Mathis or the client may terminate the Financial Planning & Consulting Agreement at any time with written notice to the other. If the Agreement is terminated, all fees due from the Client at the time of termination are due and payable immediately. Advisor will refund any unearned, prepaid fees within thirty days of written request from the Client. Should the Client wish to terminate the Agreement within 5 business days after signing, no penalty will be assessed and all fees will be refunded promptly. All financial planning and consulting services requested will be provided within 6 months of the time the agreement is signed or the Client will receive a refund of unearned fees.

Please see ***Implementation of Financial Planning and Financial Consultation Recommendations*** below for important information about implementing financial planning and consulting recommendations, including conflicts of interest.

#### **Third-party Investment Advisor Referral Services Fees**

Mathis receives compensation as provided for in its agreements with TPIAs for introducing clients. This referral fee to Mathis may be a percentage of the investment advisory fee charged to the client by that TPIA or a percentage of the assets managed by the TPIA and is disclosed to the client in the TPIAs Form ADV Part 2 or Solicitors Disclosure Statement.

Both the overall fee paid by the client, as well as the portion of the overall fee paid by the TPIA to Mathis, may or may not be negotiable, as disclosed in the disclosure documents of the TPIA. The maximum referral fee accepted by Mathis from a TPIA is 1.25% per year of the client assets managed by the TPIA. TPIAs typically require that clients provide written authorization for the TPIA to bill their accounts for the TPIAs management fees.

Certain TPIA programs may charge a "wrap fee", which is a single periodic fee that is charged to the client for both brokerage and investment management services. If a wrap fee program is not selected, the client will be charged separately the management fee by the TPIA and transaction charges by the securities broker-dealer. If a client selects a wrap fee program, they may pay a combined wrap fee that is

higher than if they had paid separately for advisory fees and brokerage commissions paid on a transaction by transaction basis.

Clients who are referred to TPIAs will receive full disclosure relating to the TPIA and its program, including services rendered, frequency of billing and fee schedules at the time of the referral by delivery of a copy of the respective TPIA's Form ADV Part 2A. If the investment program recommended to a client is a wrap fee program, the client will receive the wrap fee brochure provided by the sponsor of the program. Mathis will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees to Mathis.

Clients will sign an advisory agreement with Mathis and will also sign an advisory agreement directly with the TPIA of the program selected. The advisory relationship may be terminated by the client, Mathis, or the TPIA in accordance with the provisions of those agreements. The client will typically receive a pro-rata refund of any prepaid advisory fees upon termination of the advisory agreement with a TPIA, as specified in the client's agreement with the TPIA. Additionally, a client may terminate its advisory agreement with Mathis without being assessed any penalty within five (5) business days of its signing.

### **Investment Management Services Fees**

In the event the client determines to engage Mathis to provide investment management services, Mathis shall do so for an investment management fee based upon a percentage of the market value of the assets under management.

### **Fee Calculation and Billing**

#### **Accounts held at Schwab**

The annual fee for investment management services is billed quarterly in advance based on the following fee schedule. One-quarter of the indicated annual fee shall be billed quarterly based on the market value of the client's account under management at the end of each calendar quarter.

The client's initial fee will be assessed on the same fee schedule based on the amount placed under management and then pro-rated based the number of days remaining in the initial quarterly period that the client's portfolio was under management.

Mathis's Maximum Investment Management Fee: 1.25% of Portfolio Value

Mathis generally requires that clients authorize Mathis to bill investment management fees to the client's account. Clients will be provided statements from their selected custodian that reflect all account activity, including management fee billing and fees charged by third parties (such as the client's custodian and independent managers), and are responsible for verifying the accuracy of the fees and charges by the custodian and/or Mathis. The custodian does not verify the accuracy of Mathis's fee calculations.

#### **Accounts held at Axos**

The annual fee for investment management services is billed quarterly in advance based on the following fee schedule. One-quarter of the indicated annual fee shall be billed quarterly on the average daily balance of the client's account for the quarter.

The client's initial fee will be assessed on the same fee schedule based on the amount placed under management and then pro-rated based the number of days remaining in the initial quarterly period that the client's portfolio was under management.

Mathis's Maximum Investment Management Fee: 1.25% of Portfolio Value

Mathis generally requires that clients authorize Mathis to bill investment management fees to the client's account. Clients will be provided statements from their selected custodian that reflect all account activity, including management fee billing and fees charged by third parties (such as the client's custodian and independent managers), and are responsible for verifying the accuracy of the fees and charges by the custodian and/or Mathis.



#### Accounts held at American Funds Service Company

When the client's account is held in custody at American Funds Service Company (**AFS**), the annual fee for investment management services is billed quarterly in arrears as agreed upon with the client, subject to the following maximum fee:

Maximum Portfolio Value Annual Fee: 1.0%

Fees shall be calculated by AFS for each quarterly period ending the last business day of February, May, August and November and shall be the product of (1) the average daily net asset value of Client assets invested in Class F-2 shares of the American Funds during the quarter, (2) the number of days in the quarter; and (3) the annual rate divided by the number of days in the year.

Clients will authorize AFS (not Mathis) to calculate and bill Mathis's investment management fee to the Client's account. Clients will also be provided statements from AFS that reflect all account activity, including management fee billing, and are responsible for verifying the accuracy of the fees and charges by the custodian and/or Mathis.

#### **Maximum Fees**

The above fee schedules reflect Mathis's maximum fees for investment management services. Mathis, in its sole discretion, may negotiate to charge a lesser or no advisory fee based upon certain criteria (i.e. anticipated future earnings capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with the client, etc.). Additionally, Mathis may waive or reduce current or future investment management fees for clients who engage Mathis or its IARs for other services.

#### **Termination**

The engagement will continue in effect until terminated by either party upon 30 days written notice to the other. If the client did not receive a copy of Mathis's disclosure brochure at least forty-eight (48) hours prior to executing the agreement, the client may terminate the agreement without penalty within five (5) business days after signing it. In the event the agreement is terminated prior to the end of the then current billing period, Advisor will refund any unearned, prepaid fees within thirty days of written request from the Client. A refund of unearned fees will be calculated on a pro-rata daily basis following the notice of cancellation.

#### **Additions to and Withdrawals from Client's Account**

The client may make additions to and withdrawals from the account at any time, with the understanding that Mathis retains the right to terminate management of the account. Additions may be in cash or securities; however, Mathis reserves the right to liquidate any transferred securities, or decline to accept particular securities into its management.

Mathis may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charges or short-term redemption fees) and/or tax ramifications. Clients may withdraw account assets on notice to Mathis, subject to the usual and customary securities settlement procedures. However, clients should keep in mind that Mathis designs its portfolios as long-term investments and the withdrawal of assets from the account may impair the achievement of a client's investment objectives.

#### **Reasonable Restrictions**

Clients may provide reasonable restrictions and guidelines to Mathis with respect to the management of the Client's account. Restrictions and guidelines imposed by the client may affect the composition and performance of custom portfolios. As a result, the performance of custom portfolios within the same investment objective as other client accounts may differ and the client should not expect that the performance of his/her custom portfolios will be identical to any other client's portfolio performance. Mathis's clients are advised to promptly notify Mathis if they wish to impose any reasonable restrictions upon Mathis's management services.

***Billing on Cash Positions***

The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

***Periods of Portfolio Inactivity***

The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, financial impact to the client of taxable gains, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

**Retirement Plan Services Fees**

As previously referenced in Item 4, Mathis may provide fiduciary and/or non-fiduciary services to retirement plans (i.e., 401k plans, 403b plans, etc.). Pursuant to the RPSA, Mathis and the RPF will select the various services to be provided along with the respective fee to be paid for such services. Fees can be structured in various ways, such as: a fee based on a percentage of plan assets (not to exceed 1.25% of plan assets per year), an hourly fee or a flat rate.

Fees based on plan assets may be billed in advance on a quarterly or semi-annual basis, as specified in the client agreement. Should the agreement be terminated prior to the end of the billing period, any unearned, prepaid fees shall be refunded.

For fees based on an hourly or flat rate, Mathis may request a deposit to begin work on the engagement with the RPF. If this deposit for services to be rendered is more than \$500, Mathis will render services within six (6) months of the date of the agreement that equal or exceed the deposit. This process should be evidenced on billing statements for this six-month period. If such services do not equal the amount of the deposit during this six-month period, then a prompt refund of any unused portion should be refunded to you.

Mathis may, with the consent of the RPF, bill for out-of-pocket expenses (such as overnight mailings, messenger, translation fees, etc.) at cost. All fees shall be paid by the RPF or the Plan (provided it is authorized in the governing Plan documents) within 30 days of delivery of invoice to RPF.

The Retirement Plan may also incur certain fees imposed by third parties other than Mathis in connection with investments made through an account, including among others, the following types of charges: mutual fund management fees, administration service fees, recordkeeping service fees and other service fees. Further information regarding fees assessed by a mutual fund is available in the appropriate prospectus.

If Mathis has been engaged for ERISA fiduciary services, the compensation arrangement must be levelized. Mathis's compensation will be stipulated pursuant to the RSPA. Neither Mathis nor its IAR will

directly or indirectly receive any additional compensation from investment of retirement plan assets over and above the compensation specified in the RSPA. Should Mathis or the IAR receive any such additional compensation, such as 12b-1 fees, or any other similar fee, Mathis will refund such compensation directly to an account designated by the RPF for the Retirement Plan's sole and exclusive benefit, or such amount shall be offset against Mathis's fees.

### **Additional Fees and Expenses**

#### ***Implementation of Financial Planning and Financial Consultation Recommendations***

When financial planning and financial consultation services are presented, the client may be given the option of implementing certain recommendations through Mathis or Mathis's IARs. If clients elect to have an IAR of Mathis implement the advice provided as part of the financial planning/consultation services, implementation will be made through the client's IAR in the IAR's capacity as a registered representative (**RR**) of United Planners Financial Services of America (**United Planners**) or as an independent insurance agent. When clients implement recommended transactions through the IAR in one of these separate capacities, the IAR will receive additional compensation in the form of commissions, mutual fund 12b-1 service fees and insurance trail fees. Mathis or its IARs may, upon occasion, refer clients who demonstrate a need for insurance-related products to an unaffiliated insurance agent with whom Mathis or its IARs has a referral arrangement in place. In such cases, the Mathis IAR will act as co-agent on any insurance products purchased by the client and will receive a portion of the insurance commissions for the referral.

While Mathis has policies in place that endeavor to at all time to put the interest of the clients first as a part of Mathis's fiduciary duty, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. Investment advisory clients are under no obligation to purchase from their Mathis IAR, or persons to whom client may be referred, any commissionable securities or insurance products that he or she recommends and may purchase such products from the broker-dealer or insurance company or agent of their choice.

Commissions may be higher or lower at United Planners than at other broker/dealers. RRs are restricted to only offering those securities products and services that have been reviewed and approved for offering to the public by United Planners and for which United Planners has obtained a selling agreement.

#### ***Brokerage and Custodial Charges***

In addition to Mathis's investment management fees, clients are also responsible for paying certain charges imposed by unaffiliated third-parties, such as the client's broker-dealer/custodian. Such charges include, but are not limited to, custodial fees, brokerage commissions, transaction fees, asset-based pricing fees, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. For more information about Mathis's brokerage recommendations and arrangements, please refer to Item 12 of this brochure.

#### ***Independent Investment Manager Fees***

With respect to Mathis's investment management services, the investment management fee charged by Mathis does not include any fees charged to the client's account by Independent Investment Managers. Management fees charged by independent investment managers are assessed and billed separately to the client's account.

For accounts held at Axos, the investment management fee charged by Mathis does not include any fees charged to the client's account for use of independent investment manager portfolios. The independent manager's fee is assessed by Axos and paid to Mathis, which is then paid by Mathis to the independent manager. The client will see these and other fees assessed by Axos as a separate line item on the client's Axos account statement. Separate disclosure of Axos and independent manager fees will be made to the client.

#### ***Mutual Fund and Other Internal Investment Charges***

When recommending mutual funds or other investment company securities, Mathis generally recommends only no-load or load-waived mutual funds or exchange traded funds. However, all mutual funds, exchange traded funds and other investment company securities (**Funds**) incur certain types of charges and expenses, which are paid from the value of the Funds' shares. These charges and expenses include investment management, transaction, administrative, distribution, service, transfer agent, custodial, legal, audit and other customary fees. If your account holds any such Fund shares, you will be indirectly paying these expenses, which are in addition to your Mathis investment management fee. You are encouraged to read the prospectuses of any Funds which are purchased in your account for a more complete explanation of these fees and expenses.

#### ***Investments Available without Mathis's Services***

With certain exceptions, you can purchase shares of Funds and other investments outside of your Investment Management account without paying for and receiving the benefit of Mathis's management services which are designed, among other things, to assist the client in determining which fund or funds are most appropriate to the client's financial condition and objectives. Certain Funds are offered generally to the public without a sales charge and, for those Funds that are offered with a sales charge, the sales charge described in the Fund's Prospectus may be more or less than Mathis's management fee charged over time. Accordingly, the client should review both the fees charged by the funds and the fees charged by Mathis to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. While Mathis believes its fees are competitive with fees charges by other investment advisors for comparable services, comparable services may be available from other sources for lower fees than those charged by Mathis.

#### ***Tax Consequences of Transactions***

Clients are advised that any redemptions and exchanges between Funds and other securities transactions in the clients account might have tax consequences, which clients should discuss with their independent tax advisor.

#### **Other Important Information**

##### ***Changes to Financial Status***

Clients may consult with Mathis at any time concerning their account. Every client is urged to notify Mathis as soon as is practicable of changes in financial status or goals, as these types of changes may affect our recommendations.

##### ***Verification of and Reliance on Client's Information***

In performing its services, Mathis shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information.

##### ***No Assignment***

Neither Mathis nor the client may assign the client's agreement without written consent of the other party.

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

Mathis does not charge fees based on a share of capital gains on or capital appreciation of the assets in a client's account.

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

Mathis provides its investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

While Mathis does not generally impose a minimum account size for accepting new clients, Larry Mathis personally requires a minimum of \$500,000 of assets under management for accepting new clients. Mr. Mathis, in his sole discretion, may lower or waive this requirement, depending on the client's particular circumstances and situation.

TPIAs in Mathis's TPIA Referral Services and independent investment managers in Mathis's Investment Management Services may impose their own minimum size requirements for accepting client accounts, which are disclosed in their respective disclosure documents.

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

### **Methods of Analysis and Investment Strategies**

In the management of client accounts, Mathis primarily uses a strategic asset allocation approach primarily involving long- and short-term (i.e. holding periods less than one year) purchases of no-load, load-waived, or institutional class mutual funds or ETFs, stocks and bonds in the construction of portfolios for accounts in its investment management services. Other security types may be used when Mathis believes it is in the client's best interest.

Mathis's investment strategy embraces a balanced approach to investing, involving the diversification of client portfolios among several different asset categories, such as equities, bonds and cash, in the effort to enhance risk-adjusted returns. Mathis's methodology is designed to provide personalized and diversified investment recommendations that take into consideration time to retirement, risk tolerance, and other personal circumstances.

Mathis's methods of analysis may include fundamental analysis, technical analysis and cyclical analysis. The risk of technical analysis is that historical price movements may not accurately predict future price movements. This view is supported by the efficient market theory which states that the current price of a security reflects all currently known information about the security and that day to day changes in price are random and not predictable. The risk of fundamental analysis is that information obtained to evaluate a specific security may be inaccurate and the resulting analysis may provide an inaccurate estimate of earnings and stock value. The reaction of a stock's price to corrected information may result in unfavorable performance. The risk associated with cyclical analysis is that economic and business cycles, and their resulting effect on securities prices, may not be predictable and regular.

The main sources of information Mathis uses include financial newspapers and magazines, research materials prepared by others and annual reports, prospectuses and other filings with the Securities and Exchange Commission, as well as press releases. In selecting specific funds, Mathis considers ratings and recommendations provided by third-party sources, fund availability, the fund's expense ratio, investment style, past performance, and an evaluation of the fund's management.

### **Risk of Loss**

All investments and investment programs have certain risks that are associated with them and which the investor must bear. Following are the types of risk that may arise to clients due to the types of securities that are recommended to or purchased for clients or the investment strategies used by Mathis:

Business Risk – the risk that the price of an investment will change due to factors unique to that company, investment or market segment and not the market in general.

Liquidity Risk – the risk associated with the ease of being able to quickly convert the value of a security into an equivalent amount of cash. For example, money market funds are readily convertible (liquid) while certain limited partnership units or real estate are not.

Financial Risk – the risk to specific companies' future earnings due to their use of debt. Companies that borrow money must pay it back at some future date, plus the interest charges. This increases the uncertainty about the company because it must have enough income to pay back this amount at some time in the future.

Exchange Rate (Currency) Risk – the risk that investors in foreign investments may be subject to different exchange rates at the time they wish to convert investment proceeds back to their home

currency. If exchange rate risk is high, even though substantial profits may have been made in the foreign markets, a less favorable exchange rate may reduce or eliminate these profits.

Country (Political) Risk – the risk that a major change in the political or economic environment of a foreign country may devalue investments made in that country. This risk is usually restricted to emerging or developing countries that do not have stable economic or political environments.

Market Risk – the risk that the price of a particular investment will change as a result of overall market conditions that are not specific to that particular company or investment.

Interest Rate Risk – the risk that interest rate changes will affect the price of a particular investment. For example, when interest rates rise, the price of bonds generally fall.

The specific risks associated with TPIA programs and independent investment managers are disclosed in their respective disclosure brochures.

### **Item 9. Disciplinary Information**

Mathis and its management personnel have not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

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

#### **Mathis IAR affiliations with United Planners**

Larry Mathis and other IARs of Mathis are RRs with United Planners, a broker-dealer and member of FINRA. United Planners and Mathis are not affiliated. In their capacity as United Planners RRs, Larry Mathis and other IARs may offer clients certain securities products provided by United Planners. See Item 5 above for more information about this affiliation, including conflicts of interest.

Larry Mathis is also temporarily affiliated with United Planners as an investment advisor representative for the sole purpose of providing continued advisory services to clients of another Mathis representative who passed away prior to his completing the transition of his clients from United Planners to Mathis. Mr. Mathis will not be soliciting new investment advisory clients for United Planners and will cease his affiliation with United Planners upon the transition of these clients to Mathis, to another United Planners investment adviser representative, or to another investment adviser of the clients' choice.

United Planners is a Limited Partnership in which Larry Mathis is also a limited partner. Limited partners receive a percentage of United Planners' net profit on an annual basis. This presents a potential conflict between the interests of Larry Mathis and the client because limited partners may recommend products or services that produce more revenue for the firm and thus increase their annual profit distribution.

#### **Mathis IAR affiliations with Insurance Companies**

Larry Mathis and other Mathis IARs are also licensed insurance agents appointed with various insurance companies. Larry Mathis is also the Manager and principal owner of Larry Mathis Financial Planning, L.L.C., a business entity licensed to conduct life, health and accident insurance related activities in Arizona. As licensed insurance agents, Larry Mathis and other Mathis IARs may offer investment advisory clients the option to purchase life, long-term care and other insurance products through them. If a client purchases insurance products through them, they will receive commissions and related compensation, such as insurance trail fees as a result of the sale. Mathis or its IARs may, upon occasion, refer clients who demonstrate a need for insurance-related products to an unaffiliated insurance agent with whom Mathis or its IARs has a referral arrangement in place. In such cases, the Mathis IAR will act as co-agent on any insurance products purchased by the client and will receive a portion of the insurance commissions for the referral. Clients are advised that this receipt of compensation from such recommendations can give these individuals an incentive to recommend products based on the compensation received, rather than on the needs of the client.

Clients should be assured that, as required by Mathis's Code of Ethics, Larry Mathis and other Mathis IARs make every effort to recommend securities and insurance products that are most appropriate for the client, without consideration of compensation arrangements. Clients are under no obligation to purchase recommended securities or insurance products through Mathis IARs and may purchase such products through the broker-dealer or insurance agency of their choice. See ***"Implementation of Financial Planning and Financial Consultation Recommendations"*** under Item 5 above for more information about Mathis IARs' commissionable securities and insurance activities, including conflicts of interest.

#### **Important Information about TPIAs**

Because Mathis and its representatives receive compensation from the Third-Party Investment Advisors for referring clients and because such compensation may differ depending upon the individual agreement with each TPIA, Mathis and/or its representatives may have an incentive to recommend one of these TPIAs over other TPIAs with which it has less favorable compensation arrangements. Mathis requires that TPIAs are recommended based on the interests of the client regardless of the amount of compensation earned. Further, Clients are free to not accept Mathis's TPIA recommendations.

#### **Additional Information**

Neither Mathis nor Mathis's management persons are registered, or have an application pending to register, as: a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing. Neither Mathis nor Mathis's management persons have any non-disclosed material relationship with a(n):

- broker-dealer, municipal securities dealer, or government securities dealer;
- investment company or other pooled investment vehicle;
- other investment adviser or financial planner;
- futures commission merchant, commodity pool operator, or commodity trading advisor;
- banking or thrift institution;
- lawyer or law firm;
- pension consultant;
- real estate broker or dealer; or
- sponsor or syndicator of limited partnerships

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

#### **Code of Ethics**

Mathis has adopted a Code of Ethics (**Code**) that sets forth standards of business conduct, including compliance with applicable state and federal securities laws, that it requires of its officers, management and employees (**Associated Persons**). The Code is based on the principle that Mathis and its Associated Persons have an overarching fiduciary duty to, at all times, place the interests of its clients first. The Code establishes that no Associated Person of Mathis shall prefer their own interests to those of advisory clients and, among other things, prohibits the use of material non-public information. A copy of Mathis's Code is available upon written request.

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

Employees of Mathis may invest in securities for their personal accounts that are also recommended to clients of the firm. Each employee is required to provide Mathis with quarterly statements that show all trading activity and current holdings. Additionally, employee transactions are subject to limitations regarding the type and timing of transactions, including certain trading prohibitions and pre-approval and monitoring by the management of Mathis. Subject to restrictions listed above, Mathis and its employees may at any time, buy, increase, decrease or sell positions in investments for their own account in which a client may have an interest.

### **Item 12. Brokerage Practices**

Mathis has established custodial and trading relationships with the following financial institutions:

- Charles Schwab & Co., Inc. (**Schwab**) – Schwab is a licensed broker/dealer (member FINRA/SIPC). Custodial arrangements are provided through Schwab Advisor Services (**SAS**) to financial advisors.
- Axos Advisor Services (**Axos**) – Axos Advisor Services is a joint service offering from Axos Clearing LLC, a subsidiary of Axos Financial (NYSE: AX), and Axos Bank. Axos Clearing provides Mathis clients with order execution and custody services and is a member of FINRA and SIPC.
- American Funds Service Company (**AFS**) – AFS is the service company for the American Funds Mutual Fund Group.

Mathis requires clients who wish to use Mathis's Investment Management Services to direct us to use one of these indicated custodians for brokerage and custody services. Schwab, Axos and AFS are not affiliated with Mathis.

Because IARs of Mathis are registered representatives with United Planners, they (and, therefore, Mathis) are subject to certain United Planners restrictions concerning their use of other custodians and broker-dealers. To fulfill certain FINRA requirements, United Planners has established a list of custodian and brokerage firms which may be utilized for custody of and trade execution in client accounts by its registered representatives who are also affiliated with an investment advisor. The above-referenced firms are on this list of broker-dealer/custodians that are acceptable to United Planners.

United Planners will retain a portion of Mathis's investment management fee as a charge to Mathis (not the client) for the above-referenced functions United Planners is required to carry out by FINRA. This fee will not increase execution or brokerage charges to the client or the fee the client has agreed to pay Mathis pursuant to the client's advisory agreement.

Clients should be aware of the following important facts regarding Mathis's exclusive use of the above custodians/brokers:

- This limitation on the use of broker-dealers/custodians may affect Mathis's ability to achieve most favorable execution of client transactions, and therefore may cost clients more money; and
- Not all investment advisors require clients to use specified broker-dealers/custodians.

#### **Important Information about Mathis and Schwab**

As part of Schwab's SAS program, Mathis receives benefits that it would not receive if it did not offer investment advice. SAS provides Mathis with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as the adviser meets Schwab minimum requirements for maintenance of clients' account assets at Schwab. SAS's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

SAS also makes available to Mathis other products and services that benefit Mathis but may not benefit its clients' accounts. Some of these other products and services assist Mathis in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Mathis's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Mathis accounts, including accounts not maintained at SAS.

SAS may also provide Mathis with other services intended to help Mathis manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to Mathis by independent third parties. SAS may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Mathis.



**Important Information about Mathis and Axos**

Axos provides Mathis with access to their institutional trading and custody services. The services from Axos include trading, custody, research and access to mutual funds and other investments that are generally only available to institutional investors or would require a significantly higher minimum investment.

Axos makes available other products and services that benefit Mathis but may not benefit your account directly. Some of these products and services assist us in managing and administering our customer accounts. These include software and technology that:

- Provides access to client and account data (including transaction and account statements)
- Facilitates trade execution and allocation of aggregated trade orders for multiple client accounts
- Facilitates payment of fees from client accounts
- Assists with back-office functions, recordkeeping and client reporting

Axos also makes available consulting, publications and conferences to help us manage and further develop our business. Topics covered include:

- Practice management
- Information Technology
- Business succession
- Regulatory compliance
- Marketing

In addition, Axos may make available, arrange and/or pay for these types of services by independent third-parties.

Clients are advised that a recommendation to maintain assets at Axos may be based in part on the benefit to Mathis of some of these products and services and not solely on the nature, cost or quality of custodial services provided by Axos. This creates a potential conflict of interest.

**Important Information about Mathis and AFS**

Any transaction or other fees charged by AFS are exclusive of and in addition to Mathis's fee. Factors which Mathis considers in recommending AFS include financial strength, reputation, execution, pricing, research, and service levels. AFS generally provides access for Mathis Clients to certain classes of its various mutual funds at net asset value without transaction charges.

Mathis receives certain benefits from its relationship with AFS. These benefits are not contingent on the number of accounts, number of transactions or amount of revenue to AFS and are available to any investment advisor using AFS's services. AFS provides transactional, custodial, pricing and market data and research services that support our firm in conducting its business and in serving the best interests of our clients, but which may also benefit our firm. Additional services provided by AFS that benefit the firm, but may not directly benefit client accounts include technology that: provides access to client account data (such as trade confirmations and account statements); provides information and research data on its funds; calculates and bills fees from client accounts; and assists with back-office functions, recordkeeping and reporting.

Clients are advised that a recommendation to maintain assets at AFS may be based in part on the benefit to Mathis of some of these products and services and not solely on the nature, cost or quality of custodial services provided by AFS. This creates a potential conflict of interest.

**Important Information Concerning Recommended Broker-Dealer/Custodian**

Mathis's clients must evaluate any recommended broker-dealer and/or custodian before opening an account. The factors considered by Mathis when making brokerage and/or custodial recommendations

are the firm's ability to provide professional services, Mathis's experience with the firm, the firm's reputation, and the firm's quality of execution services and costs of such services, among other factors.

#### **Recommendation of United Planners for Implementation of Financial Planning Recommendations**

Because Larry Mathis and Mathis's IARs are registered representatives with United Planners, if a client freely chooses to implement financial planning recommendations through them in their capacity as a registered representative, then United Planners will be the broker-dealer that is used.

United Planners has a wide range of approved securities products for which United Planners performs due diligence prior to selection. United Planners' registered representatives are required to use these approved products when implementing securities transactions through United Planners. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. In addition, certain back-office, operational, technology and other administrative support that United Planners provides Mathis's IARs also benefit Mathis.

Product sponsors through United Planners, such as variable and investment companies and limited partnerships which are recommended to clients may provide support to Mathis IARs in their separate capacities as United Planners registered representatives. Such support includes research, educational information, and monetary support for due diligence trips and client events.

#### **Trade Aggregation**

When Mathis is placing trades for your account at about the same time and for the same security as for other client accounts, it may aggregate (or combine) your trade with the trades of other clients. This can provide certain advantages to clients who are participating in the aggregated trade. The following information does not apply to aggregate trading of mutual funds, as they are priced once per day, at the end of the day, and not intraday like most stocks and ETFs:

- Aggregated trading provides each client with average pricing for the transaction, so that no client is disadvantaged by when their account is traded versus when another client's account is traded.
- If an aggregated order is only partially filled, Mathis has procedures in place to ensure that no client is systematically disadvantaged by its allocation process.
- In instances when Mathis is individually placing multiple client trades in the same security at approximately the same time, Mathis has procedures in place to ensure that no single client is systematically disadvantaged by where their transaction is placed versus those of other clients. Even so, because each transaction is placed separately, not all clients will pay or receive the same price for the security and the price a particular client pays or receives may be higher or lower than that of other clients.

Clients are advised there is an incentive for Mathis and its IARs to recommend a broker/dealer over another based on the products and services that will be received rather than on the client's best interest.

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

All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Mathis and to keep Mathis informed of any changes their situation. Mathis will contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

#### **Review of Accounts**

##### ***Financial Planning and Consultation Services***

For Mathis's financial planning and consulting services, reviews are conducted by the client's assigned IAR upon client request. Since the client's agreement with Mathis terminates upon delivery of the requested services, requests for new services, including reviews, are subject to a new Financial Planning & Consulting Agreement.

***TPIA Services***

For Mathis's TPIA service, client accounts are reviewed by the client's IAR at least quarterly upon Mathis's receipt of the TPIA's quarterly reports. Additionally, Mathis's IAR will request to meet with all TPIA clients at least annually to review the TPIA, its performance and continued appropriateness for the client. Reviews are generally triggered by date but can also be triggered by a written or verbal request from the client or by major market or economic events.

***Investment Management Services***

For those clients to whom Mathis provides investment management services, the client's IAR monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis.

**Client Reports and Statements*****Financial Planning and Consultation Services***

Financial Planning Clients will receive written recommendations covering the specific agreed-upon areas. Financial Consulting Clients may receive a written analysis, if agreed upon in the Financial Planning & Consulting Agreement.

***TPIA Services***

TPIA clients will receive reports from the TPIA as specified in the TPIA's disclosure brochure.

***Investment Management Services***

Investment Management Clients are provided with regular account statements directly from the broker-dealer or custodian for their accounts. Mathis does not routinely provide additional account reporting on these accounts.

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

Mathis does not currently have any arrangements where it compensates others for referring clients to Mathis.

Mathis received the following economic benefits in relation to providing advice to clients:

See Item 12 above for information about certain benefits received from SAS, Axos and AFS.

**Item 15. Custody**

Mathis may directly bill account fees (as authorized by clients in writing). Client funds and securities are always held with a qualified custodian, such as Schwab, who will provide the client with an account statement at least each calendar quarter. The account statement, which clients should review carefully for accuracy, shows the amount of Mathis's management fees that are deducted from the account during the period covered by the statement.

Additionally, some clients have signed asset transfer authorizations which permit the qualified custodian to rely upon instructions from SFR to direct the transfer of client funds to "third parties", which generally are client-related accounts that are not in the exact same registration or which may include other parties, such as spouses. For example, the transfer of funds from a client's IRA account to a joint account held by the client and the client's spouse or the transfer of funds from certain trust accounts to an individual account would fall in this category. The client retains the ability to change and/or terminate the SLOA at any time. Mathis has no ability to change the designated account to which the funds are sent. These arrangements are reflected in our response to ADV Part 1, Item 9, but in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter the affected accounts are not subject to an annual surprise CPA examination.

Mathis does not have any other arrangements by which it accepts or undertakes custody of client funds or securities.

**Item 16. Investment Discretion**

Accounts are managed on either a non-discretionary basis or, when authorized in writing by the client, a discretionary basis. When discretionary authority is granted, Mathis will have the authority in its investment management services to determine the type of securities and the amount of securities that can be bought or sold. With the exception of accounts held at Axos, Mathis does not have discretionary authority to select the independent investment manager to be used for the client portfolio without obtaining the client's specific prior consent. Further, Mathis does not have discretion to select the custodian or broker-dealer to be used by the client.

Clients may place reasonable restrictions on the type of securities or amount of securities purchased for their account. If, in Mathis's sole determination, the restrictions placed by the client negatively impact Mathis's ability to effectively manage the client account, Mathis may terminate the agreement with the client.

**Item 17. Voting Client Securities**

As a matter of firm policy and practice, Mathis and its IARs do not perform proxy-voting services on a client's behalf. Clients are instructed to read through the information provided with the proxy voting documents and to make a determination based on the information provided. In some instances, upon request from the client, Mathis may give limited clarification based on their understanding of issues presented in the proxy-voting materials. However, the client will have the ultimate responsibility for making all proxy-voting decisions.

Mathis will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Advisor to transmit copies of class action notices to the client or a third party. Upon such direction, Advisor will make commercially reasonable efforts to forward such notices in a timely manner.

**Item 18. Financial Information**

Mathis does not require or solicit the prepayment of fees exceeding \$500 six or more months in advance of services rendered. Additionally, Mathis does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

Mathis has never been the subject of a bankruptcy petition.