

## Item 1 – Cover Page

*Kraft, Davis & Associates, LLC d/b/a*  
***ADK Wealth Advisory Group***  
***Endeavor Wealth Management***  
***Steck Wealth Management***  
(Firm CRD # 175085 / SEC 801-99353)

# Form ADV Part 2A – Appendix 1 Wrap Fee Program Brochure

### Main Office

*ADK Wealth Advisory Group*  
12935 North Outer Forty Road  
Suite 101  
St. Louis, MO 63141  
(314) 878-1489 - phone  
[www.discoverindependence.com](http://www.discoverindependence.com)

### Other Office

*Steck Wealth Management*  
14500 South Outer Forty Road  
Suite 201-A  
St. Louis, MO 63017  
(314) 984-5049 - phone  
[www.steckwealthmanagement.com](http://www.steckwealthmanagement.com)

### Other Office

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1301 HRC Plaza Drive  
Lake Saint Louis, MO 63367  
(636) 778-2500 - phone  
[www.endeavorwealthmgt.com](http://www.endeavorwealthmgt.com)

**September 28, 2023**

All the material within this Wrap Fee Program Brochure must be reviewed by those who are considering becoming a Client of our firm. This Wrap Fee Program Brochure provides information about the qualifications and business practices of Kraft, Davis & Associates, LLC doing business as ADK Wealth Advisory Group, Steck Wealth Management and Integral Wealth. If you have any questions about the contents of this Brochure, please contact us directly at (314) 878-1489, or [ddavis@adkinc.com](mailto:ddavis@adkinc.com).

The information provided within this Brochure is not to be construed as an endorsement or recommendation by state securities authorities or by the United States Securities and Exchange Commission (the "SEC"). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Our registration as an investment advisor does not imply any level of skill or training. The communications we provide to you, including this Brochure, contain information you can use to evaluate us (and other advisors), which should help you with your decision to hire us or to continue to maintain a mutually beneficial relationship.

*Additional information about us can be found at the SEC's website, [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov).*

*(Click on the link, select "Investment Advisor Firm," and type in our firm name.*

*Results will provide you both Part 1 and 2 of our Form ADV as well as the Wrap Fee Brochure.)*

## **Item 2 – Material Changes**

### **NOTICE TO CURRENT & PROSPECTIVE CLIENTS: READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY**

This Brochure, dated September 28, 2023, is an amendment to the previously published Form ADV Part 2 Brochure for the firm.

Since the filing of the last annual update Brochure dated March 13, 2023, we have updated our Brochure to reflect a change in address of one of our branch offices. We have also made various other minor updates, but no other material changes were made.

Pursuant to regulatory requirements, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means [email] or in hard copy). We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

This document may be requested by contacting us at (314) 878-1489 or at [ddavis@adkinc.com](mailto:ddavis@adkinc.com). We welcome visitors to our websites for a comprehensive overview of our firm and the professional services we offer.

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## Item 4 – Services, Fees and Compensation

### **Firm Background**

Kraft, Davis & Associates, LLC, doing business as *ADK Wealth Advisory Group, Steck Wealth Management, and Integral Wealth* (hereinafter referred to collectively as “ADK” or the “Advisor”), is an investment advisor registered with the Securities and Exchange Commission (“SEC”). Mr. Cory Kraft and Mr. Daniel Davis are the founding members of ADK. Mr. Davis is the President and Chief Compliance Officer and Cory Kraft is the Chief Executive Officer. Any and all material conflicts of interest are disclosed herein.

ADK provides fee-based investment advisory services primarily to individuals and high-net worth individuals. The Advisor is compensated based on a percentage of assets under management, as well as on an hourly and/or fixed fee basis. The individuals associated with ADK are appropriately licensed and authorized to provide advisory services on behalf of ADK.

Because ADK is a registered investment adviser, we are required to meet certain fiduciary standards when providing investment advice to clients. Additionally, when we provide investment advice related to a retirement plan account or an individual retirement account, we are considered 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. As such, we are required to act in your best interest and not put our interest ahead of yours, even though our compensation creates some conflicts with your interests in that the more you have us manage, the more we can earn. Our clients however are under no obligation to use services recommended by our associated persons. Furthermore, we believe that our recommendations are in the best interests of our clients and are consistent with our clients’ needs.

### **ADK Wealth Wrap Fee Programs**

Assets managed in a wrap fee account are not managed differently from those maintained in a non-wrap fee account. The primary difference of a wrap fee program is that the transactions costs associated with trading your account are borne by the Program Sponsor. Clients should know that services under a wrap fee program can be purchased separately and may be available for more or less than what they will pay with ADK. ADK offers two wrap fee programs available through LPL Financial (“LPL”), its preferred custodian.

### **Strategic Wealth Management Program (SWMII)**

ADK, through its IARs, provides ongoing investment advice and discretionary management on assets in the Client’s custodial Strategic Wealth Management (“SWMII”) account held at LPL. SWMII is the name of the custodial account offered through LPL to support investment advisory services provided by ADK to its Clients. An account managed on a discretionary basis means the IAR can trade your account without discussing the transaction with the client prior to execution. More specific account information and acknowledgements are further detailed on the SWM Client Account Application.

IARS provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), variable annuity subaccounts, real estate investment trusts (“REITs”), equities, and fixed income securities. The advice is tailored to the individual needs of the Client based on the investment objective chosen by the Client, to help assist Clients in attempting to meet their financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary per each Client’s investment profile.

In the SWMII program, ADK serves as both Program Sponsor and Portfolio Manager to you. ADK will have discretion to execute trades with your account including but are not limited to instructions with respect to buying, selling, assigning, transferring, and trading in securities and commodities and/or contracts relating to the same on margin or otherwise, and stock option transactions, as well as with respect to all other things necessary or incidental to the furtherance of such instructions. You authorize LPL to accept from ADK all instructions relating to the trading of securities as well as the reinvestment of dividends and capital gain distributions in your account. No minimum account value is required for SWMII accounts.

### ***Optimum Market Portfolios Program (“OMP”)***

ADK, through its IARs, provides ongoing investment advice and discretionary management on assets in the Client’s custodial Optimum Market Portfolios Program (“OMP”) account held at LPL. The Program offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under the Program, Client authorizes LPL and Advisor on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by Client and to liquidate previously purchased securities. There are up to six Optimum Funds that may be purchased within the Account: Optimum Large Cap Growth Fund, Optimum Large Cap Value Fund, Optimum Small-Mid Cap Growth Fund, Optimum Small-Mid Cap Value Fund, Optimum International Fund and Optimum Fixed Income Fund. An account managed on a discretionary basis means the IAR can trade your account without discussing the transaction with the client prior to execution. More specific account information and acknowledgements are further detailed on the OMP Client Account Application. The advice is tailored to the individual needs of the Client based on the investment objective chosen by the Client, to help assist Clients in attempting to meet their financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary per each Client’s investment profile.

In the OMP program, ADK serves as both Program Sponsor and Portfolio Manager to you. ADK will have discretion to execute trades with your account including but are not limited to instructions with respect to buying, selling, assigning, transferring, and trading in securities and commodities and/or contracts relating to the same on margin or otherwise, and stock option transactions, as well as with respect to all other things necessary or incidental to the furtherance of such instructions. You authorize LPL to accept from ADK all instructions relating to the trading of securities as well as the reinvestment of dividends and capital gain distributions in your account. The minimum account value required for OMP is \$10,000 but may be waived at LPL’s discretion.

LPL is appointed by Client custodian of the Account assets and as the sole and exclusive broker/dealer with respect to processing securities transactions for the Account. LPL may aggregate transactions for Client with other clients to improve the quality of execution. LPL serves as a sub-services agent with respect to Program accounts. As such, LPL will provide all sub-accounting and shareholder recordkeeping with respect to Optimum Fund shares, and will provide the following administrative services among others: 1) establishing and maintaining sub-account records reflecting the issuance, transfer or redemption of shares, 2) assisting shareholders in designating and changing account designations and addresses, and 3) responding to inquiries for shareholders with respect to the status of sub-accounts, fund performance, sub-account histories and making adjustments to sub-accounts to correct sub-account files. As compensation for these services, LPL receives administrative servicing fees from the service agent of the Optimum Funds.

### **Fees & Compensation**

The specific way fees are charged by the firm is established in a Client’s written Consulting Agreement and account application between the Client and ADK. The Firm’s annual investment advisory fee (“Account Fee”) shall be based upon a percentage (%) of the market value and type of assets placed under the firm’s management to be charged quarterly in advance, and IARs may at their discretion negotiate a fee. The Account Fee charged to the Client for the ADK Wealth Wrap Fee Program will not exceed 2.5% per annum.

LPL is responsible for calculating and deducting advisory fees from Client accounts. Clients must provide LPL with written authorization to deduct fees from their account and pay the advisory fees to ADK. Clients also can pay their advisory fees by check. ADK will then share the advisory fee with its IARs and LPL. For Clients who participate in a wrap fee program, either sponsored by ADK or LPL, they will pay some costs for miscellaneous services. For example, check printing fees, overnight delivery fees, etc.

In connection with investments made through the account, the Client may also incur certain charges imposed by third-parties other than ADK including, but not limited to, mutual fund 12b-1 fees, mutual fund management fees and administrative expenses, mutual fund transaction fees, deferred sales charges on previously purchased mutual funds transferred into the account, variable annuity expenses, other transaction charges and service fees, IRA and qualified retirement plan fees, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, hedge fund and managed future investment management fees, managed futures investor servicing fees, fees relating to American Depository Receipts, and other charges required by law.

Either party may terminate the agreement for services at any time. If the Account Agreement is terminated before the end

of the quarterly period, the Client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date. For additional information, please see Item 12 – Brokerage Practices.

### **Fee Billing Disclosures**

If a Client desires, a Client can engage certain representatives of the firm, in their individual capacities as RRs of LPL Financial, an SEC registered and FINRA/SIPC member broker-dealer, to implement investment recommendations on a commission basis. In the event a Client chooses to purchase investment products through LPL Financial, LPL Financial will charge brokerage commissions to effect securities transactions, a portion of which commissions LPL Financial shall pay to the firm's representatives, as applicable. The brokerage commissions charged by LPL Financial may be higher or lower than those charged by other broker-dealers.

The recommendation that a Client purchase a commission product from LPL Financial presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a Client's need. No Client is under any obligation to purchase any commission products from LPL Financial. The firm's Chief Compliance Officer, Daniel Davis, is available to address any questions that a Client or prospective Client may have regarding this conflict of interest.

LPL Financial charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). LPL enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL Financial commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL Financial may be higher or lower than those charged by other custodians and broker-dealers. Clients may direct their brokerage transactions at a firm other than LPL Financial. Advisory fees are generally not reduced to offset commissions or markups.

Please note: Clients may purchase investment products recommended by our firm through other, non-affiliated broker-dealers or agents. When the firm's IARs sell an investment product on a commission basis, the firm does not charge an advisory fee in addition to the commissions paid by the Client for such product. When providing services on an advisory fee basis, ADK representatives do not receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, a Client may engage the firm to provide investment management services for an advisory fee and also purchase an investment product from the firm's representatives on a separate commission basis.

Advisor receives compensation as a result of a Client's participation in an LPL program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the Advisor would receive if the Client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

Please note that for all services listed above, lower fees for comparable services may be available from other sources.

The purchase of a securities and/or insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a Client's need. No Client is under any obligation to purchase any commission products from IAR of the firm. Clients may purchase investment products recommended by IARs through other, non-affiliated broker-dealers or insurance agents. Such conflicts are subject to review by the Chief Compliance Officer for consistency with the firm's Code of Ethics.

## **Item 5 – Account Requirements and Types of Clients**

The ADK Wealth Wrap Fee Program is offered by ADK and is available for individuals, individual retirement accounts ("IRAs"), banks and thrift institutions, pension and profit-sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities. There is not minimum account size requirement to participate in the ADK Wealth

## Item 6 – Portfolio Manager Selection and Evaluation

ADK serves as Portfolio Manager and Program Sponsor to the ADK Wealth Wrap Fee Program. Third-party money managers are not utilized in the ADK Wealth Wrap Fee Program. We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments.

The Client’s individual investment strategy is tailored to their specific needs and may include some or all the previously mentioned securities. Each portfolio will be initially designed to meet an investment goal, which we determine to be suitable to the Client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least semi-annually and if necessary, rebalance the portfolio based upon the Client’s individual needs, stated goals and objectives. Each Client can place reasonable restrictions on the types of investments to be held in the portfolio.

Account performance is determined by the account custodian. Clients will receive monthly account statements which will reflect the account activity and current returns for the account.

Neither the firm nor any supervised persons accepts performance-based fees, fees based on a share of capital gains on or capital appreciation of, the assets of a Client such as a hedge fund or other pooled investment vehicles.

ADK does not vote Client proxies, but third-party money managers selected or recommended by our firm may vote proxies for Clients. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Clients may contact ADK at (314) 878-1489 to discuss any questions they may have with a solicitation.

### Methods of Analysis, Investment Strategies and Risk of Loss

The firm uses a combination of fundamental and technical (aka “charting”) analysis to formulate investment advice when managing assets. Depending on the analysis the firm will implement a long or short term trading strategy based on the objectives and risk tolerance of a Client.

**Fundamental analysis** involves an evaluation of the financial condition and competitive position of a fund or issuer which typically involves an analysis of an issuer’s management team, investment strategies, style, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm’s model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

**Technical analysis (aka “Charting”)** involves the examination of past market data rather than specific issuer information in determining the recommendations made to Clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that identifying historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that ADK, Inc. will be able to accurately predict such a reoccurrence. Past performance does not guarantee future results and results will vary.

***Please note, investing in securities involves risk of loss that Clients should be prepared to bear. There are different types of investments that involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Past performance is not indicative of future results.***

The firms’ methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations such as:

- **Risk of Loss** - All investments in securities include a risk of loss of principal (invested amount) and any profits that have not been realized (i.e., the securities were not sold to “lock in” the profit). Stock markets and bond markets fluctuate

substantially over time, and markets have experienced increased volatility in recent years. As recent global and domestic economic events, have indicated, performance of any investment is not guaranteed. Thus, there is a risk of loss of the assets we manage. ADK cannot guarantee any level of performance or that account assets will not be lost.

ADK does not represent, warrant, or imply that the services or methods of analysis used can or will predict future results, successfully identify market tops or bottoms, or insulate clients from major losses due to market corrections or crashes. No guarantees are offered that Clients' goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by ADK will provide a better return than other investment strategies.

Varied fluctuations in the price of investments are a normal characteristic of securities markets due to a variety of influences. ADK's managed account programs should be considered a long-term investment; as long-term performance and performance consistency are among our key objectives.

- **Domestic Equity Risks** - Under strategies utilizing equity securities, the portfolios are subject to the risk that stock prices may fall over short or extended periods of time. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in equity securities.
- **International Equity Risks** - Investing in foreign companies poses additional risks since political and economic events unique to a country or region may affect those markets and their issuers. In addition to such general international risks, the portfolio may also be exposed to currency fluctuation risks and emerging markets risks as described further below.

Changes in the value of foreign currencies compared to the US dollar may affect (positively or negatively) the value of the portfolio's investments. Such currency movements may occur separately from, and/or in response to, events that do not otherwise affect the value of the security in the issuer's home country. Also, the value of the portfolio may be influenced by currency exchange control regulations. The currencies of emerging market countries may experience significant declines against the US dollar, and devaluation may occur after investments in these currencies by the portfolio. Finally, foreign investments, especially investments in emerging markets, can be riskier and more volatile than investments in the US and are considered speculative and subject to heightened risks in addition to the general risks of investing in non-US securities. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries.

- **Dynamic Hedging Risk** - All ADK portfolios that invest in non-US securities employ a dynamic currency hedging strategy. Because of this, these portfolios may have lower returns than an equivalent non-currency hedged investment when the component currencies are rising relative to the US dollar. As such, contracts to sell foreign currency will generally be expected to limit any potential gain that might be realized by the portfolio if the value of the hedged currency increases. In addition, although the portfolios seek to minimize the impact of currency fluctuations on returns, the use of currency hedging will not necessarily eliminate exposure to all currency fluctuations. Hedging against a decline in the value of a currency does not eliminate fluctuations in the value of a portfolio security traded in that currency or prevent a loss if the value of the security declines. Moreover, it may not be possible for the portfolios to hedge against a devaluation that is so generally anticipated that ADK is not able to contract to sell the currency at a price above the devaluation level it anticipates.
- **Fixed Income Risks** - Under strategies utilizing debt securities, changes in interest rates could affect the value of a Client's investment. Rising interest rates tend to cause the prices of debt securities (especially those with longer maturities) to fall. Rising interest rates may also cause issuers to pay off mortgage-backed and asset-backed securities later than anticipated, forcing the portfolio to keep its money invested at lower rates.

Falling interest rates, however, generally cause investors to pay off mortgage-backed and asset-backed securities earlier than expected, forcing the portfolio to reinvest the money at a lower interest rate. The concept of duration is useful in assessing the sensitivity of a fixed income portfolio to interest rate movements, which are the main source of risk for most fixed income securities. Duration measures price volatility by estimating the change in price of a debt security for a 1% change in its yield. For example, a duration of five years means the price of a debt security will change about 5% for every 1% change in its yield. Thus, the higher the duration, the more volatile the security.



Debt securities have a stated maturity date when the issuer must repay the principal amount of the bond. Some debt securities, known as callable bonds, may repay the principal earlier than the stated maturity date. Debt securities are most likely to be called when interest rates are falling because the issuer can refinance at a lower rate. The credit rating or financial condition of an issuer may affect the value of a debt security. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. The issuer of an investment-grade security is more likely to pay interest and repay principal than an issuer of a lower rated bond. Credit ratings are not an absolute standard of quality, but rather general indicators that reflect only the view of the originating rating agencies from which an explanation of the significance of such ratings may be obtained. If an issuer defaults or becomes unable to honor its financial obligations, the security may lose some or all its value.

High yield or “junk” bonds are highly speculative securities that are usually issued by smaller, less credit worthy and/or highly leveraged (indebted) companies. Compared with investment-grade bonds, high yield bonds carry more risk and are less likely to make payments of interest and principal. Market developments and the financial and business conditions of the corporation issuing these securities influences their price and liquidity more than changes in interest rates, when compared to investment-grade debt securities. Insufficient liquidity in the junk bond market may make it more difficult to dispose of junk bonds and may cause the portfolio to experience sudden and substantial price declines.

- **Risk Related to Liquidity** - Liquidity risk exists when investments are difficult to purchase or sell. Such securities may become illiquid under adverse market or economic conditions and/or due to specific adverse changes in the condition of an issuer. If the portfolio invests in illiquid securities or securities that become illiquid, portfolio returns may be reduced because the Fund may be unable to sell the illiquid securities at an advantageous time or price.
- **Risks Related to ETPs** - Most ADK’s investment holdings are ETPs (which include ETFs and ETNs), which will be subject to substantially the same risks as those associated with the direct ownership of the underlying securities owned by the ETP. An ETP is a type of investment vehicle that attempts to achieve a return like a set benchmark or index or, in some cases, is actively managed like a mutual fund. Additionally, the value of the investment will fluctuate in response to the performance of the underlying index or securities. ETPs can be bought and sold throughout the day like stocks, and their prices can fluctuate throughout the day. During times of extreme market volatility, ETP pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period (usually less than one day); however, there is no guarantee this relationship will always exist. While ETPs generally provide diversification, risks can be significantly increased for funds concentrated in a sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a security (i.e., equities) rather than balancing the fund with different types of securities. ETPs incur investment advisory and other fees that are separate from those fees charged by ADK. Accordingly, ADK’s investments in ETPs will result in the layering of expenses. As a result, the cost of the investment strategy will be higher than the cost of investing directly in ETPs.
- **Risks Related to REITs** - ADK strategies may invest in REITs. REITs’ share prices may decline because of adverse developments affecting the real estate industry, such as declining real estate values, changing economic conditions, and increasing interest rates. The returns from REITs may trail returns from the overall market. Additionally, there is always a risk that a given REIT will fail to qualify for favorable tax treatment or may not remain qualified as a REIT.
- **Risks Related to Variable Annuities** - Variable annuity premiums are invested in the insurance company's separate account - the account that holds only funds paid by variable annuity and variable life insurance contract holders. By law, these funds are kept separate from general account assets and are invested in a portfolio of securities. Much like any other equity investment, a variable annuity is subject to investment risk always. This means that the annuitant's account values can and will fluctuate with daily market values. Thus, unlike with a fixed annuity, it is the annuitant, not the insurance company, who bears the investment risk. The annuitant will be subjected to liquidity, annuitization, tax, estate, interest rate, insurance company and inflation risk, in addition to market risk.
- **Risks Related to Company Size** - ADK strategies may invest in small-capitalization and mid-capitalization stocks, which are often more volatile and less liquid than investments in larger companies. The frequency and volume of trading in securities of smaller and mid-size companies may be substantially less than is typical of larger companies. Therefore, the securities of smaller and mid-size companies may be subject to greater and more abrupt price fluctuations. In addition, smaller and mid-size companies may lack the management experience, financial resources and product diversification of larger companies, making them more susceptible to market pressures and business failure.

## **Item 7 – Client Information Provided to Portfolio Managers**

ADK does not utilize third-party money managers to manage client accounts. As such, client information is kept inhouse.

## **Item 8 – Client Contact with Portfolio Managers**

Clients of ADK are able to speak with their investment adviser and the portfolio managers of the Firm at any time. Clients need only call the office and a meeting or call can be arranged to answer any questions that may arise about their accounts and its investments.

## **Item 9 – Additional Information**

### Disciplinary Information

IARs are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an advisory firm or the integrity of a firm's management. Any such disciplinary information for the company and the company's IAR's would be provided herein and publicly accessible by selecting the Investment Advisor Search option at <http://www.advisorinfo.sec.gov>. There are no legal or disciplinary events to disclose.

### Other Financial Industry Activities and Affiliations

LPL Financial LLC: IARs may also be RRs of LPL Financial, an unaffiliated SEC registered and FINRA/SIPC member broker-dealer. Clients may choose to engage an IAR in their capacity as a RR of the unaffiliated LPL Financial broker-dealer, to implement investment recommendations on a commission basis.

Insurance Affiliations: Representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees because of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation advisor and/or our supervised persons may earn and may not necessarily be in the best interests of the Client. Such potential conflicts of interest are subject to review by the Chief Compliance Officer and subject to LPL Financial surveillance controls.

Financial Planning World: As a "DBA" of ADK, the Firm offers back office services to other investment advisers on an independent contractor basis. Back officer services may include trading, fee billing, accounting, operations, and/or compliance services.

Third Party Money Managers: ADK may select other investment advisors for Clients. If we recommend or select other investment advisors for our Clients and we receive compensation directly or indirectly from those advisors, or we have other business relationships with those advisors, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them. Prior to selecting other advisors ADK will assure that the other advisors are properly licensed or registered as an investment advisor.

Other Registrations: Neither ADK nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### Code of Ethics, Participation/Interest in Client Transactions, Personal Trading

ADK maintains a Code of Ethics, which serves to establish a standard of business conduct for all employees that are based upon fundamental principles of openness, integrity, honesty, and trust.

The Code of Ethics includes guidelines regarding personal securities transactions of its employees and investment advisor

representatives. The Code of Ethics permits employees and IARs or related persons to invest for their own personal accounts in the same or different securities that an IAR may purchase for Clients in program accounts. This presents a potential conflict of interest because trading by an employee or IARs in a personal securities account in the same or different security on or about the same time as trading by a Client could potentially disadvantage the Client. ADK addresses this conflict of interest by requiring in its Code of Ethics that employees and IARs report certain personal securities transactions and holdings to the Chief Compliance Officer for review.

***An investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our Clients always. We have a fiduciary duty to all Clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures.***

When dealing with investment advisory Clients and services, IARs, as fiduciaries, have an affirmative duty of care, loyalty, honesty, and good faith to act in the best interests of their Clients. IARs should fully disclose all material facts concerning any conflict that does arise with Clients and should avoid even the appearance of a conflict of interest. The Firm and its IARs must abide by honest and ethical business practices including, but not be limited to:

- Not inducing trading in a Client's account that is excessive in size or frequency in view of the financial resources and character of the account;
- Making recommendations with reasonable grounds to believe that they are appropriate based on the information furnished by the Client;
- Placing discretionary orders only after obtaining Client's written trading authorization contained within the advisory agreement or via separate amendment;
- Not borrowing money or securities from, or lending money or securities to a Client;
- Not placing an order for the purchase or sale of a security if the security is not registered, or the security or transaction is not exempt from registration in the specific state;
- The Firm and the IAR will allocate securities in a manner that is fair and equitable to all Clients and will not affect principal or agency-cross transactions for Client accounts.
- All IARs of ADK are required to sign an acknowledgment of their understanding and acceptance of these terms.

We require all our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws always. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all Clients. This disclosure is provided to give all Clients a summary of our Code of Ethics. However, if a Client or a potential Client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

Neither ADK nor a related person recommends to Clients, or buys or sells for Client accounts, securities in which you or a related person has a material financial interest.

### Review of Accounts

For those Clients to whom ADK provides investment supervisory services, account reviews are conducted on an ongoing basis by Daniel Davis, the firm's Chief Compliance Officer. All investment supervisory Clients are advised that it remains their responsibility to promptly advise ADK of any changes in their investment objectives and/or financial situation. All Clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their IAR at least annually; or more frequently, should their personal situation and investment objectives and/or financial situation change.

Daniel Davis, the Chief Compliance Officer, may also conduct account reviews based on the occurrence of a triggering event, such as a change in Client investment objectives and/or financial situation, market corrections, or by Client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the Client accounts. ADK may also provide a written periodic report summarizing account activity and performance.

For those Clients to whom ADK provides financial planning services, the IAR will meet with the Client once they complete the financial plan to review the plan and go over any questions the Client may have.

#### Client Referrals & Other Compensation

ADK compensates other persons for Client referrals. ADK enters an agreement with such referral agents and pays them a portion of the advisory fee for the referral. The referral agent discloses to the Client at the time of the solicitation the arrangement and the compensation to be received by the referral agent. Clients should refer to the solicitor disclosure statement for details of the amount of the compensation to be received by the referral agent for the referral. There are no other economic benefits provided by someone who is not a Client for providing investment advice.

#### Financial Information

ADK does not require or solicit prepayment of more than \$1200 in financial planning or consulting fees per Client, six months or more in advance. There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to Clients. At no time has ADK been the subject of a bankruptcy petition.

Investment Advisor Representatives ("IARs" or "Representatives") are restricted to providing services and charging fees based in accordance with the descriptions detailed in this document and the Client Consulting Agreement. However, the exact service and fees charged to a Client are dependent upon the individual IAR working with the Client. IARs are instructed to consider the individual needs of each Client when recommending an advisory platform. Investment strategies and recommendations are tailored to the individual needs of each Client. Individuals associated with ADK are also Registered Representatives ("RRs") of LPL Financial, a broker-dealer, a member of the Financial Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). All securities transactions shall be directed to LPL Financial for execution. ADK and LPL Financial are not affiliated legal entities.