

# GILPIN WEALTH MANAGEMENT LLC

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## FORM ADV PART 2A FIRM BROCHURE SEPTEMBER 27, 2023

This brochure provides information about the qualifications and business practices of Gilpin Wealth Management LLC. If the client has any question about the contents of this brochure, please contact us at (720) 893-2800. 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.

Gilpin Wealth Management LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Gilpin Wealth Management LLC is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The client can search this site by a unique identifying number, known as a CRD number. Gilpin Wealth Management LLC's CRD number is 311336.

## Item 2 - Material Changes

The Firm has no material changes to report since its last annual update on February 24, 2023.

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## Item 4 – Advisory Business

### A. OWNERSHIP/ADVISORY HISTORY

Gilpin Wealth Management LLC (the “Firm”) was founded in September 2020. The Firm is a Colorado limited liability company and became registered as an investment adviser in December 2020. Anthony McEahern and Joseph Glasman are the owners of Gilpin Wealth Management, LLC.

### B. ADVISORY SERVICES OFFERED

#### 1. FINANCIAL PLANNING SERVICES

- (I) *COMPREHENSIVE FINANCIAL PLANNING:* The Firm offers comprehensive financial planning services that involve a review of clients’ financial situation, goals and risk tolerance. Through a series of personal interviews and/or the use of risk tolerance tools/questionnaires the Firm may collect pertinent data, identify goals, objectives, financial problems, and potential solutions. With this information, the Firm may tailor a client’s financial plan and advice to accomplish stated goals and objectives. This advice may cover any of the following topics: net worth; cash flow analysis; tax analysis; insurance and long-term care analysis; tax planning strategies; retirement planning; 401k review; financial goal setting; risk management; college savings or other needs as identified during meetings with clients. The Firm may also offer, as part of the plan, accounting, tax preparation, wealth and estate planning services. A financial plan may be created and documented following these client meetings.
- (II) *ONGOING FINANCIAL PLANNING:* The Firm also offers ongoing services in which it may monitor, update and manage financial plans. The ongoing service may cover a client’s financial situation, current income, future income needs, assets not managed by the Firm, such as an employer sponsored retirement plan and/or personal investment held in personal brokerage accounts. In such instances, at the beginning of the relationship the Firm may meet with the client to review their financial situation, current income and futures income needs. Thereafter, the Firm may reach out to the client periodically to cover changes or updates to the financial situation provided by the client to the Firm (Please see Item 13 – Review of Accounts, for additional details). Additionally, for employer sponsored retirement plans, the Firm may review the employer sponsored plans’ available investment options and make an asset allocation recommendation to the client. Similarly, for personal assets held away, the Firm may review the assets and propose an asset allocation.
- (III) *FINANCIAL CONSULTING:* The Firm’s financial consulting services may be provided when a client needs assistance with one or two individual topics described above. The chosen topics are written in the financial planning agreement. This service generally does not involve creating a documented financial plan. Typically, the Firm meets with the client to discuss any questions, conduct research and present

findings through a second meeting. Upon completion of the presentation, the engagement is concluded.

## 2. PORTFOLIO MANAGEMENT

The Firm may offer portfolio management services that involve assisting with the ongoing management of a client's investment accounts. The Firm may work with a client to formulate an individualized portfolio based upon the client's objectives, time frame, risk parameters and other investment considerations. Once the Firm has this information, the Firm may create a customized portfolio using a combination of model portfolios. The Firm will require discretionary authority from the client in order to select securities and execute transactions without the client's prior permission. The Firm may base the investment recommendations on a variety of factors including, but not limited to, performance risk, fees, tax efficiency of different investment strategies, as well as client input and preferences regarding the strategies to be implemented.

## 3. RECOMMENDATION OF THIRD-PARTY INVESTMENT ADVISERS

On occasion, the Firm may recommend the services of a Third-Party Investment Adviser ("Third-Party Adviser") to manage the client's accounts(s). The Firm may work with the client to select and customize a model portfolio based upon client objectives, time frame, risk parameters and other investment considerations. Once the Firm has this information, the Firm may recommend one or several of the Third-Party Adviser's model portfolios to the client. The client always has the right to choose whether to use a recommended Third-Party Adviser or not.

The Firm reviews each Third-Party Adviser before making a recommendation to the client. The Firm may consider the following factors during a review: fees, reputation, performance, financial strength, management, price, reporting capabilities, and client financial situation, goals, needs, and investment objectives. After the review, the Firm presents the client with one or more recommendations.

If the client wishes to proceed with the recommendation, the Firm may enter into a solicitor arrangement with the recommended Third-Party Adviser. Under this arrangement, the Third-Party Adviser is responsible for portfolio management, best execution, portfolio reporting, trading, trade error resolution, and custodian reconciliations. The Firm maintains a relationship with the client by monitoring the status of client accounts with the Third-Party Adviser, making recommendations about the Third-Party Adviser meeting with client in person or by telephone on an annual basis, and acting as client's primary financial adviser. All questions regarding the Third-Party Adviser's services and performance should be directed to the Firm.

The client will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant Third-Party Adviser's Form ADV Part 2A or equivalent disclosure document before receiving investment advisory services from the Third-Party Adviser. The Third-Party Adviser offers separate services that are outlined in its Adv Part 2A.

## 4. RETIREMENT PLAN CONSULTING

For retirement plan accounts, the Firm may provide the following ERISA fiduciary and ERISA non-fiduciary services: Selection of Investments; Education Services to Plan Committee; Participant

Education Services; Plan Search Support; Review of Fiduciary Liability Insurance Coverage; Monitoring of Qualified Fiduciary; or Participant Advise. Upon a client's request, the Firm may provide any of the following ERISA non-discretionary fiduciary services: create an Investment Policy Statement; provide Investment Recommendations & Performance Monitoring; or Selection of Qualified Default Investment Alternative. Please note that the Firm's ERISA fiduciary services generally include but are not limited to ERISA Section 3(21) and ERISA Section 3(38) investment management fiduciary services.

#### 5. TAILORED SERVICES

The Firm may document client goals and objectives before any investment takes place. The client may impose restrictions on investing in certain securities or types of securities.

#### 6. WRAP PROGRAM

The Firm does not sponsor a wrap program.

#### C. CLIENT ASSETS MANAGED

As of September 14, 2023, the Firm manages \$105,882,916 in client assets on a discretionary basis.

### Item 5 – Fees and Compensation

#### FINANCIAL PLANNING SERVICES

##### *COMPREHENSIVE AND ONGOING FINANCIAL PLANNING*

Comprehensive financial planning services are offered on a fixed fee basis that ranges from \$1,000 to \$50,000. The fixed fee is negotiable and will vary depending on the nature and complexity of the client's individual circumstances and the number of areas covered by the written financial plan. The client's financial planning agreement will show what the client will be charged to complete the scope of services as defined in the agreement. The Firm will collect half of the fee at engagement and the second half at the delivery of the financial plan. Unless the client enters into another contract for ongoing financial planning services as described in Item 4 and below, the engagement is concluded.

Ongoing financial planning services are offered on an annual basis. The Firm charges a fixed monthly fee ranging from \$100 to \$1,000. The agreed upon fee is charged at the beginning of the month, in arrears. The fees and services are negotiable at the time of renewal.

##### *FINANCIAL CONSULTING*

Consulting services are provided at an hourly rate of up to \$250. At the beginning of engagement, the Firm will provide the client with a written estimate of the number of hours it believes the service will take. The Firm will track the time spent collecting the client's information, analyzing and researching the chosen topics, and time presenting the findings to the client. The client will be notified if the fee drastically changes from the initial estimated time. The Firm will collect the agreed upon fee at our final meeting.

#### TERMINATION OF FINANCIAL PLANNING SERVICES

The client may terminate any service for any reason within the first five (5) business days after signing the financial planning agreement, without cost or penalty. Thereafter, the financial planning agreement may be terminated at any time. To cancel the agreement, the client must notify the Firm in writing. Upon termination, any unpaid fees will be due; the Firm will prorate the client's fee based on a percentage of the amount of work or hours completed depending on the service provided.

#### PORTFOLIO MANAGEMENT AND RECOMMENDATION OF THIRD-PARTY INVESTMENT ADVISER

The Firm charges an annual management fee based on a percentage of assets under management in the client's account. Our annual management fee is based on the following tiered fee schedule.

<b>Custodian Reported Account Value</b>	<b>Management Fee</b>
First \$1,000,000	1.25%
Next \$4,000,000	1.00%
Next \$15,000,000	0.75%
Above \$20,000,000	0.50%

The annual management fee is negotiable. The Firm may negotiate a tiered fee schedule. A tiered fee schedule means the applicable rate will be applied to the custodian reported value in each account value range. For example, with a \$1,900,000 account value, the first \$1,000,000 will be charged at 1.25%. The remaining \$900,000 will be charged at 1.00%. Each client's fee schedule will be described in his or her investment management agreement.

The management fee will be billed quarterly, in arrears, meaning the Firm collect the fee at the end of each quarter's billing period. The management fee is based on the custodian reported value of the account as of the last business day of the quarter. The fee is negotiable based on the size of the account; the Firm will aggregate accounts originating from the same household to calculate the fee unless the client directs otherwise. The initial quarter's management fee will be prorated for the time services will be rendered during the initial quarter. Cash balances and investments in money market funds held in the account are counted toward the account value and are included in the fee calculations.

On the occasion the Firm recommends a Third-Party Adviser, our management fee will be separate from the Third-Party Adviser's management fee. The total combined fee will be disclosed to the client and acknowledged in the investment management agreement.

The Firm will ask the client to authorize us or the Third-Party Adviser to instruct the custodian to withdraw our management fee and the Third-Party Adviser management fee directly from the client's account. The client may terminate this authorization at any time. Please see Item 15 for additional details regarding fee deduction.

Our management fee does not include brokerage commissions, transaction fees, or other related costs and expenses that are incurred by the client. The client may incur certain charges imposed by custodians, brokers, Third-Party Advisers, and other third parties such as fees charged by

managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These charges, fees, and commissions are exclusive of and in addition to our fee and the Firm will not receive any portion of these charges, fees, or commissions.

#### RETIREMENT PLAN CONSULTING SERVICES

Retirement plan consulting services refers to 401k plans or other retirement plans that the Firm manages on behalf of an employer. Our annual consulting fee is based on the percentage of assets under management in the client's qualified plan. Our maximum consulting fee is 0.70% and is negotiable depending on the size of the plan and the services provided. The Firm will negotiate with the client how often and when the fee is collected. The fee may be collected monthly or quarterly, in advance or in arrears. The fee will be either billed to the plan sponsor or deducted from the plan's assets. Please see Item 15 for additional details regarding fee deduction.

#### TERMINATION OF PORTFOLIO MANAGEMENT AND RETIREMENT PLAN CONSULTING SERVICES

The client may terminate our portfolio management or retirement plan consulting services for any reason within the first five (5) business days after signing the contract without any cost or penalty. Thereafter, the contract may be terminated at any time by giving ten (10) days' written notice to Gilpin Wealth Management LLC, 50 South Steele Street, Suite 501, Denver, CO 80209. The client will be charged the fee up to and including the date of termination on a prorated basis.

#### OTHER SECURITIES COMPENSATION

The Firm does not receive other securities compensation.

#### RETIREMENT ROLLOVER CONFLICTS OF INTEREST

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

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

The Firm does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the client's assets) or provide side by side management.

### Item 7 – Types of Clients

The Firm offers its services to individuals, pension and profit-sharing, charities, and corporations and other businesses. The Firm does not require a minimum account size.



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

### METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

The Firm will manage the client's portfolio using one or more investment strategies such as asset allocation, tactical asset allocation, fundamental analysis, technical analysis, and modern portfolio theory. A general description of these methods of analysis and investment strategies are described below:

Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individuals' goals, risk tolerance and investment horizon. The asset classes typically include equities, fixed-income, international, and cash and equivalents.

Tactical asset allocation is an active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This strategy is designed to allow portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is a moderately active strategy because portfolio managers return to the portfolio's original strategic asset mix when desired short-term profits are achieved. The risk associated with asset allocation and tactical asset allocation is that each class had different levels of risk and return, so each will behave differently over time. There is no guarantee that moving additional assets into an asset class will grow a portfolio.

Fundamental analysis is a technique that attempts to determine a security's value by focusing on underlying factors that affect a company's actual business and its future prospects. The analysis is performed on historical and present data. On a broader scope, one can perform fundamental analysis on industries or the economy as a whole. The term refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements. The risk associated with fundamental analysis is that despite the appearance that a security is undervalued, it may not rise in value as predicted.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. The risk associated with technical analysis is that there is no broad consensus among technical traders on the best method of identifying futures price movements.

Modern portfolio theory proposes that by investing in a predetermined asset mix derived from the efficient frontier (designed to achieve a specific client objective within a certain risk tolerance) and rebalancing with discipline, the portfolio is diversified across the various asset classes to mitigate unnecessary risk. This also provides for a portfolio that can operate without reliance on market timing and security selection; however, as with all equity investments, positive returns are not guaranteed. In conjunction with investing in a diversified portfolio, each portfolio is constructed to meet specific parameters set forth in the individual client's investment policy statement and/or other documents. These parameters can include – but are not limited to – tax efficiency, concentrated stock positions and management history. Once again, the risk associated with a diversified portfolio is that each class has different levels of risk and return, so

each will behave differently overtime and despite being diversified, there is no guarantee that the account will grow.

#### INVESTMENT RISKS

All investment programs have certain risks that are born by the client and **investing in securities involves risk of loss that the client should be prepared to bear**. Our goal is to reduce the risk of loss, but not at the expense of portfolio growth. A recommended subadvisor's investment strategies seek to balance risks and rewards to achieve the client's investment objectives. The client should feel free to ask us questions about risks that the client does not understand.

#### RECOMMENDED SECURITIES

Several types of securities will be used in the client's account. These include, but are not limited to, exchange traded funds (ETFs), mutual funds (open and closed end), equities, and bonds. Risks associated with these types of securities include:

##### *General Risks for Mutual funds & Bonds:*

- **Credit Risk:** This is the risk that an issuer of a bond in an exchanged traded fund could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of an investment or the future purchasing power of the client's assets.
- **Interest Rate Risk:** The chance that bond prices overall will decline because of rising interest rates.
- **Liquidity Risk:** This is the risk that the firm may not be able to sell the bond in a timely manner at the desired price.
- **Stock Market Risk:** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.

##### *Other Risks:*

- **Exchange Traded Funds (ETFs) Risk (Open End and Closed End Fund):** ETFs are typically investment companies that are legally classified as open-end mutual funds or UITs, however, they differ from traditional mutual funds because ETF shares are listed on a securities exchange. Shares can be bought and sold through the trading day like shares of other publicly traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the asking price is often referred to as the "spread". The spread varies over time based on the ETF's trading volume and market liquidity and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Shares of closed end funds in secondary markets are often accompanied by high volatility in trading. Prices may swing from a high value to a low value point, all in one day's trading action. Closed-end funds may also trade at a discount or premium to the underlying net

asset value. Additionally, ETFs may trade as a price above premium or below discount and an ETF purchased at a premium may ultimately be sold at a discount.

- **Manager Risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **Leveraged Risk:** A leveraged ETF or mutual fund seeks to generate a return that is multiple (usually 2X or 3X or -2X or -3X) of its benchmark index's performance over a specific, pre-set time period indicated in the fund's prospectus. That time period is also referred to as the "rebalancing period", and it is generally only one day, although it could be for a longer time period such as a month. As a result, the returns for these types of ETFs or mutual funds can differ significantly from that of their benchmark index, over periods lasting longer than the rebalancing period because of the compounding of returns. Generally, the longer the security is held, the more likely the returns of the leveraged product will differ from the long-term return of the index. Although potential returns are increased by leveraging, so the potential losses, so these securities carry significant risk. As a result, leveraged and inverse ETFs or mutual funds are intended only for sophisticated investors with an aggressive tolerance for risk.
- **Equity Risk:** This is a risk that one's investments will depreciate due to stock market dynamics causing one to lose money. At its most basic and fundamental level is the financial risk involved in holding equity in a particular investment. Although investors can build equity in various ways, including paying into real estate deals and building equity in properties, equity risk as a general term most frequently refers to equity in companies through the purchase of common or preferred stock. Investors and traders consider equity risk in order to minimize potential losses in their stock portfolios.
- **Fixed Income Risk:** These occur based on the volatility of the bond market environment. Risk impacts the market value of the security when it is sold, cash flow from the security while it is held, and additional income made by reinvesting cash flows. By understanding the risk involved, investors can be more informed as to the best fixed income security purchase.
- **Options Risk:** Like other securities – including stocks, bonds, and mutual funds – options carry no guarantees, and a person must be aware that it is possible to lose all of the principal he/she invests, and sometimes more. As an options holder, a person risks the entire amount of the premium he/she paid or pays. But as an options writer, a person takes on a much higher level of risk. For example, if a person writes an uncovered call, he/she faces unlimited potential loss, since there is no cap on how high a stock price can rise. However, since initial option investments usually require less capital than equivalent stock positions, a potential cash loss as an options investor is usually smaller than if someone bought the underlying stock or sold the stock short. The exception to this general rule occurs when an option is used to provide leverage: Percentage of returns are often high, but it is important to remember that percentage of losses can be high as well.

## Item 9 – Disciplinary Information

The Firm does not have any disciplinary information to disclose.

## Item 10 – Other Financial Industry Activities and Affiliations

### BROKER DEALER AFFILIATION

The Firm nor its management persons are not affiliated with a broker-dealer.

### FUTURES/COMMODITIES FIRM AFFILIATION

The Firm nor its management persons are not affiliated with a futures or commodities broker.

### OTHER INDUSTRY AFFILIATIONS

Our owners, Mr. McEahern and Mr. Glasman, own tax preparation service companies. Mr. McEahern provides seasonal tax preparation services through his company, Taxwise Connection, LLC. Mr. Glasman provides seasonal tax preparation services through his company, Gilpin Partners, Inc. They may recommend the use of his tax preparation services to our clients. This other business activity pays them a fee that is separate from the fees described above. This is a conflict of interest because the fees give them a financial incentive to recommend and sell clients the tax preparation services. However, they attempt to mitigate any conflicts of interest to the best of their ability by acting in the client's best interests and through the implementation of policies and procedures that address the conflict. The client is also informed that he or she always has the right to choose whether to act on the recommendation and he or she has the right to purchase tax preparation services through any tax preparation service.

Mr. McEahern is a licensed attorney. He actively practices law and may refer legal work to the client. This other business activity pays him a fee that is separate from the fees described above. This is also a conflict of interest because the fees give him a financial incentive to recommend and sell legal work to clients. However, Mr. McEahern attempts to mitigate any conflicts of interest to the best of his ability by acting in the client's best interest and through the implementation of policies and procedures that address the conflict. The client is also informed that he or she always has the right to choose whether to act on the recommendation and he or she has the right to purchase legal services through any licensed attorney.

### RECOMMENDATION AND SELECTION OF THIRD-PARTY INVESTMENT ADVISERS

The Firm recommends the services of Third-Party Advisers. This information can be found under Items 4 and 5. The Firm will ensure that a Third-Party Adviser is properly registered or exempt from registration in the clients' state of residence before recommending that Third-Party Adviser to the client.

## Item 11 – Code of Ethics, Participation or Interest in Client Transaction and Personal Trading

### DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. The Firm will provide a copy of our Code of Ethics to the client and any prospective client upon request.

Our Code of Ethics covers all supervised persons, and it describes our high standard of business conduct and fiduciary duty to the client. The Code of Ethics includes, among other things, provisions relating to the confidentiality of the client's information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

### MATERIAL INTEREST IN SECURITIES

The Firm does not have a material interest in any securities.

### INVESTING IN OR RECOMMENDING THE SAME SECURITIES

Our owners and advisors may buy or sell for their accounts the same securities that they purchase or recommend for purchase in the client's accounts. A conflict of interest exists because they can trade ahead of client trades. The Firm and its associates mitigate any conflict of interest in two ways. First, our Code of Ethics requires employees, including owners, to: report personal securities transactions on at least a quarterly basis, and provide us with a detailed summary of certain holdings (both initially upon commencement of employment and quarterly thereafter) in which employees have a direct or indirect beneficial interest. The reports are reviewed to ensure the Firm, its owners, and its advisors do not trade ahead of or disadvantage trading in client accounts. Second, the Firm requires client transactions to be placed ahead of our associates' personal trades or our associates can place personal trades a part of a block trade (Please see Item 12 for details on our block trading practices). The records of all associates' personal and client trading activities are reviewed and made available to regulators to review on the premises.

## Item 12 – Brokerage Practices

### RECOMMENDATION CRITERIA

The Firm does not maintain custody of the client's assets. The client's assets must be maintained in an account at a "qualified custodian," which is generally a broker-dealer or bank. The Firm recommends that clients use Charles Schwab & Co., Inc., ("Schwab"), a registered broker-dealer, member FINRA/SIPC, as a qualified custodian. The Firm is independently owned and operated and not affiliated with Schwab.

Schwab will hold the client assets in a brokerage account and buy and sell securities when instructed by the Firm. While the Firm recommends that the client uses Schwab as the custodian/broker, the client will decide whether to do so and open an account with Schwab by

entering into an account agreement directly with them; the Firm does not open the account for the client.

Products and services we may receive from Schwab are described below:

#### HOW WE SELECT BROKERS/CUSTODIANS TO RECOMMEND

The Firm seeks to recommend a custodian/broker who will hold the client's assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. The Firm considers a wide range of factors, including these:

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for a client's account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions;
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- Reputation, financial strength, and stability of the provider;
- Prior service to us and our other clients; and
- Availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us from Schwab").

For our client accounts it maintains, Schwab generally does not charge the client separately for custody services but is compensated by charging the client commissions or other fees on trades that it executes or that settle into the Schwab account. For some accounts, Schwab may charge the client a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions or asset-based fees, Schwab charges the client a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the Firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the clients' Schwab account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, the Firm will have Schwab execute most trades for the account.

#### PRODUCTS AND SERVICES AVAILABLE TO US FROM SCHWAB

Schwab Advisor Services™ (formerly Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to its institutional brokerage services—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts,

while others help us manage and grow our business. Here is a more detailed description of Schwab's support services:

**Services That Benefit the Client.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which the Firm might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit the client and the client's account.

**Services That May Not Directly Benefit the Client.** Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or the client's account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. The Firm may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from our clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting.

**Services That Generally Benefit Only Us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events;
- Technology, compliance, legal, and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel. Access to these benefits creates a conflict of interest because it gives us an incentive to require clients to use Schwab as their custodian. The Firm believes that our requirement of using Schwab is in our best interest of our client based on the services that Schwab provides and the fees that Schwab charges.

The Firm places trades for our clients' accounts subject to our duty to seek best execution and our other fiduciary duties. The Firm may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, but this practice may result in additional costs to clients

so that the Firm is more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers.

#### TRADE AGGREGATION

The Firm may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and each client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. The Firm may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities or the discretionary or non-discretionary nature of the trades. If the Firm does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that the practice of not aggregating may cost clients more money.

### Item 13 – Review of Accounts

#### PERIODIC REVIEWS

Our owners or associates will conduct no less than quarterly reviews of all portfolio management and recommendations of Third-Party Adviser accounts. We will attempt to meet with the client annually either in person or by telephone to conduct a review and update their investment profile statement.

We will also conduct no less than annual reviews on comprehensive and ongoing financial plans and make any recommendations necessary. We will attempt to meet with the client annually either in person or by telephone to conduct a review and update the client's financial plan if deemed necessary.

#### OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic, or political events, or by changes in the client's financial situation (such as retirement, termination of employment, physical move, or inheritance).

#### REPORTS

The client will receive a documented financial plan for our comprehensive financial planning and ongoing financial planning services. They will also receive at least quarterly account-statements from the account's custodian.

### Item 14 – Client Referrals and Other Compensation

#### OTHER COMPENSATION

The Firm receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The



availability of Schwab's products and services to us is not based on our giving particular investment advice, such as buying particular securities for our clients.

Other than the benefits disclosed herein, the Firm does not receive any compensation from any third-party for advisory services it provides to the client.

#### CLIENT REFERRALS

The Firm may pay for client referrals or use solicitors. The Firm and its associates may refer legal work out to various attorneys that may include our owner, Anthony McEahern. No referral fees will be paid to either party; however, clients may be charged a fee for the legal work provided. Please refer to Item 10 above for conflicts of interests associated with Anthony McEahern and his law practice.

#### Item 15 – Custody

The Firm does not take physical possession of the client's funds and securities. However, the client will be asked to authorize us with the ability to instruct the custodian to deduct our management fee directly from the client account. This authorization applies to our management fee and the Third-Party Adviser's fee only; the client may terminate this authorization at any time. The client will receive at least quarterly account statements from the custodian that show the fee withdrawal from the custodian. The Firm urges the client to carefully review these statements. Please notify us immediately of any discrepancies.

#### Item 16 – Investment Discretion

The Firm requires discretionary investment management services. The client must sign the investment management agreement to grant us discretionary power over the client's account. Our investment management agreement contains a limited power of attorney that allows us to select the security, the amount, and the time of the purchase or sale in the client's account. It also allows us to place each trade without the client's prior approval. In addition to our investment management agreement, the client's custodian may request that the client sign the custodian's limited power of attorney. This varies with each custodian. The Firm will discuss all limited powers of attorney with the client prior to their execution. In all cases, however, our discretion will be exercised in a manner consistent with the stated investment objectives for the client's account and any other investment policies, limitations or restrictions.

#### Item 17 – Voting Client Securities

In most cases, the Firm has been delegated the authority to vote proxies on the clients' behalf. The Firm's policy is to vote with the management's recommendations because it believes that is in the clients' best interest. The Firm will review whether it should continue to hold a security if it does not agree with the management's recommendation. The Firm does not initiate proxy battles with management. At any time, clients can direct how their proxies should be voted. Additionally, clients can obtain a copy of our proxy policies and procedures along with information about how their proxies were voted by contacting the Firm. Please call the Firm at (720) 893-2800 with any questions or requests.

## Item 18 – Financial Information

### BALANCE SHEET

The Firm does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, the Firm is not required to provide a balance sheet.

### FINANCIAL CONDITION

The Firm is required in this Item to provide the client with certain financial information or disclosures about our financial condition if it has a financial commitment that impairs our ability to service the client. The Firm does not have a financial commitment that impairs our ability to service the client.

### BANKRUPTCY

The Firm has not been the subject of a bankruptcy proceeding.