

## **Item 1 – Cover Page**

### **Part 2A of Form ADV: Firm Brochure**

#### **Kinetic Wealth Investment Advisors, LLC**

28045 Clemens Rd, Suite D

Westlake, OH 44145

Phone: 440-250-9500

[www.kinetic-wealth.com](http://www.kinetic-wealth.com)

Date of Brochure: October 30, 2023

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This brochure provides information about the qualifications and business practices of Kinetic Wealth Investment Advisors, LLC (“Kinetic Wealth”). If you have any questions about the contents of this brochure, please contact Richard Packer, CCO at 440-250-9500 or [richard.packer@kinetic-wealth.com](mailto:richard.packer@kinetic-wealth.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 Kinetic Wealth is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm’s information on this website by searching for our name Kinetic Wealth or our firm CRD number **311536**.

Please note that the use of the term “registered investment adviser” and description of our firm and/or our associates as “registered” does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for our firm’s associates who advise clients for more information on the qualifications of our firm and our employees.

## Item 2 – Material Changes

The material changes since our last annual updating amendment filing dated January 24, 2023, are described below.

- Kinetic Wealth Investment Advisors, LLC has updated its Assets Under Management. (Item 4.E.)
- Kinetic Wealth Investment Advisors, LLC has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.
- Kinetic Wealth Investment Advisors, LLC no longer offers Wrap Fee Programs. (Items 4 and 5)

We urge you to carefully review any notice of material amendments to this Disclosure Brochure in the future as it will contain important information that may pertain to, among other things, changes to our advisory services, fee structures, business practices, conflicts of interest, or disciplinary history.

We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time, we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Advisory Business

Kinetic Wealth Investment Advisors, LLC (“Kinetic Wealth”) is an independent financial planning and investment advisory firm registered with the state of Ohio and is a limited liability company formed under the laws of the State of Ohio. Kinetic Wealth was founded by Richard Packer who is sole owner of the firm. Kinetic Wealth’s advisory services are made available to clients primarily through individuals associated with Kinetic Wealth as investment adviser representatives (“IARs”). For more information about the IARs providing advisory services, clients should refer to the Brochure Supplement for his or her IAR. The Brochure Supplement is a separate document that is provided by the IAR along with this Brochure before or at the time client engages the IAR.

### **General Description of Primary Advisory Services**

The following are brief descriptions of Kinetic Wealth’s primary services. A detailed description of Kinetic Wealth’s services is provided in *Item 5 – Fees and Compensation* so that clients and prospective clients can review the description of services and description of fees in a side-by-side manner.

**Asset Management Services** - Kinetic Wealth, through its IARs, offers advisory services where clients authorize IARs to purchase and sell securities on a discretionary basis pursuant to an investment objective chosen by the client. This authority is set out in an advisory agreement between Kinetic Wealth and the client. The IAR obtains the necessary financial data from the client, assists the client in determining the suitability of the advisory services and assists the client in setting the appropriate investment objective. The IAR provides ongoing investment advice and management that is tailored to the individual needs of the client based on the investment objective chosen by the client. Depending on the specific engagement, the types of securities that the IAR may purchase and sell include mutual funds, ETFs, equities, fixed income securities, and/or variable annuity subaccounts. Clients generally may impose reasonable restrictions on investing in certain securities or groups of securities.

**Financial Planning Services** - Under our Financial Planning & Consulting Services Program, Kinetic Wealth, through its IARs, provides personal financial planning and consulting services tailored to the individual needs of the client. The scope of Services is determined between the client and IAR and may range from comprehensive financial planning to consulting on a particular issue, including focus on topics such as retirement planning, education planning, estate planning, cash flow/budget planning, risk management planning, personal wealth planning, tax planning, business planning, investment planning/asset allocation, or such other financial planning or consulting services needs as designated in the Financial Planning & Consulting Services Program Agreement, and may include delivery of a written financial plan depending upon the scope of agreed upon services.

Kinetic Wealth and IAR will not have any discretionary investment authority when offering financial planning or consulting services nor do these services include implementing or monitoring of any recommendations provided by the IAR to client.

### **Small Market Solution (SMS) Program**

Under SMS, LPL Research (a team of investment professionals within LPL) creates and maintains a series of different investment menus (“Investment Menus”) consisting of a mix of different asset classes and investment vehicles (“investment options”) for clients that sponsor and maintain participant-directed defined contribution plans (“Plan Sponsors”). The Plan Sponsor is responsible for selecting the Investment Menu that it believes is appropriate based on the demographics and other characteristics of the Plan and its participants. LPL Research is responsible for the selection and monitoring of the investment options made available through Investment Menus. The investment options that are offered through SMS are limited to the specific investments available through the record keeper that the Plan Sponsor selects. The Plan Sponsor may only select an Investment Menu in its entirety and does not have the option to remove or substitute an investment option.

In addition to the services described above, Plan Sponsor may also select from a number of consulting services available under SMS that are provided by Kinetic Wealth. These consulting services may include, but are not limited to: general education, and support regarding the Plan and the investment options selected by Plan Sponsor; assistance regarding the selection of, and ongoing relationship management for, record keepers and other third-party vendors; Plan participant enrollment support; and participant-level education regarding investment in the Plan. These consulting services do not include any individualized investment advice to the Plan Sponsor or Plan participants with respect to Plan assets.

### **Consulting Services**

Kinetic Wealth provides consulting services to registered investment advisers concerning investment strategies and counseling on financial planning advice to clients of those investment advisers. Our consulting services will be limited to investment strategies involving mutual funds, ETFs and insurance products, when appropriate.

### **Written Acknowledgement of Fiduciary Status**

When Kinetic Wealth provides 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 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. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

### **Wrap Fee Program**

A wrap fee program is an investment program wherein the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. Kinetic Wealth does not participate in any wrap fee programs.

### **Client Assets Managed by Kinetic Wealth**

As of September 2023, Kinetic Wealth has \$122,161,119 client assets under discretionary management and \$0 client asset under non-discretionary management.

## **Item 5 – Fees and Compensation**

In addition to the information provide in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements.

### **ASSET MANAGEMENT**

#### **Investment Advisory Services**

Our fees for investment advisory services are based on a percentage of assets under management and will not exceed 2.5%. Advisory fees are negotiable and will be charged in advance on a calendar

quarterly basis. The initial Account Fee is due at the beginning of the quarter following account inception (account inception is the date a platform's minimum investment has been met) and will include the prorated fee for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. The Account Fee is based on the value of assets in the account, including cash holdings as of the close of business on the last business day of the preceding quarter. Additional deposits and withdrawals will be added or subtracted from portfolio assets on a prorated basis to adjust the Account Fee. Advisory fees for Accounts opened on a day other than the first day of the calendar quarterly period or closed on a day other than the last business day of the calendar quarterly period will be prorated based on the number of days in the quarter.

In rare cases, we will agree to direct bill clients. As part of this process, you understand and acknowledge the following:

- The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to our firm;
- Clients will provide authorization permitting our firm to be directly paid by these terms. Our firm will send an invoice directly to the custodian; and
- If our firm sends a copy of our invoice to the client, a legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

### **Financial Plans and Consultations**

Kinetic Wealth offers either oral or written financial plans that can be comprehensive or segmented in nature. Plans can include, but are not limited to, the areas of retirement planning, employer benefits plans, college planning, employer stock options and divestitures, budgeting, tax planning, estate planning and insurance analysis. Plans will include recommendations to help clients meet their financial goals and objectives. Kinetic Wealth's associated persons will meet with clients as many times as necessary to gather the documents and information needed to prepare the financial plans. The charge for these plans is usually an hourly fee but may also be a fixed fee. The hourly fee is up to \$250 per hour and negotiable based upon the complexity of the client's financial situation and the services being provided. At the discretion of Kinetic Wealth's associated persons, they may also multiply the negotiable hourly fee rate by the estimated number of hours needed to complete the services and determine a fixed fee charge. Our fixed fee for our initial engagement, as described above, will generally be a minimum of \$1,000.00. While negotiable, one-half of the initial fixed fee will generally be due and payable to Kinetic Wealth Investment Advisors, LLC upon signing of the agreement, and the balance will be due and payable upon completion of the agreed upon services listed above. Should the cost be greater than estimated, we will notify you prior to completion of the agreed upon services listed above. Our hourly fee thereafter will be \$250.00 per hour. Whether hourly or fixed, the fee will be disclosed to the client prior to services being provided. Hourly fees are due and payable, in arrears, upon presentation of the plan(s) at which time the financial planning engagement terminates.

Either party may terminate services at any time by submitting written notice to all appropriate parties. If services are terminated within five business days of executing a contract with Kinetic Wealth, services will be terminated without penalty. After the initial five business days, the client will be responsible for fees due for time and effort expended by Kinetic Wealth's associated persons prior to receipt of notice of termination.

### **General Information on Advisory Services and Fees**

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our firm's advisory fees and will be disclosed by the chosen custodian. Clients may also pay holdings charges imposed by the chosen custodian for certain investments, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses). Our firm does not receive a portion of these fees.

Clients may make additions to the Account or withdrawals from the Account. Additional assets deposited into the Account after it is opened will be charged a pro-rata fee based upon the number of days remaining in the then-current quarterly period. Additionally, partial withdrawals from the account will result in a pro-rated refund or credit of fees to the account. Fee adjustments for additional deposits to the account and partial withdrawals from the account will be calculated in arrears or in the next quarterly period billing cycle. Fee adjustments will be calculated based on the value at the time of the additional deposit or partial withdrawal. No fee adjustments will be made for Account appreciation or depreciation.

### **General Fee Disclosure Information**

The fees charged may be higher or lower than the cost of similar services offered through other registered investment advisors. Clients may be able to obtain similar services for a lesser fee from other advisors.

### **Fees and Termination Provisions for Accounts custodied at LPL Financial**

Investment adviser representatives of Kinetic Wealth are also associated with LPL Financial as broker-dealer registered representatives ("Dually Registered Persons"). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through Kinetic Wealth. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from Kinetic Wealth, you will not receive the benefit of the advice and other services we provide.

Clients may terminate the agreement without penalty, for full refund of Kinetic Wealth's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract with thirty days' written notice. Refunds will be issued to the client's account within 90 days of termination.

### **Consulting Services Fees**

Kinetic Wealth is paid on an hourly basis for consulting services to other investment advisers. The hourly rate for these services is \$250 per hour. In some instances, Kinetic Wealth may instead be paid a portion of the advisory fee the Investment Adviser client receives from its clients. Kinetic Wealth will continue to receive these fees until the consulting services are terminated.

### **Client Responsibility for Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e., custodian fees, commissions, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Kinetic Wealth. Please see Item 12 of this brochure regarding broker-dealer/custodian

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

Item 6 is not applicable to this Disclosure Brochure because Kinetic Wealth does not charge or accept performance-based fees. Performance-based fees are fees based on a share of capital gains or capital appreciation of the assets held within a client's account.



## Item 7 – Types of Clients

Kinetic Wealth generally provides investment advice to the following types of clients:

- Individuals
- High-Net Worth Individuals
- Trusts, estates, or charitable organizations
- Corporations and other businesses

### **Minimum Investment Amounts Required**

Kinetic Wealth has no minimum investment requirements.

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

### **Methods of Analysis**

Kinetic Wealth uses the following methods of analysis in formulating investment advice:

**Charting** - The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

**Cyclical** - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

**Fundamental** - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

**Technical** - 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. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

### **Investment Strategies**

Kinetic Wealth uses the following investment strategies when managing client assets and/or providing investment advice:

**Long term purchases.** Investments held at least one year.

**Short term purchases.** Investments sold within one year.

**Asset Allocation** – The process of selecting a mix of asset classes and the efficient allocation of those assets based on historical data in an attempt to understand how the asset has performed and is likely to perform over long periods of time. The goal is not to “beat” the market, but to establish a long-term investment strategy using a core mix of assets.

**Tactical** - Allows for a range of percentages in each asset class (such as Stocks = 40-50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

- **Strategic** - Calls for setting target allocations based on client objectives and risk tolerances and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach.
- **Dynamic** - Involves modifying an investor’s target allocation due to changes in investor circumstances, which may lead to the modification of policies, objectives, and/or risk tolerances. Resulting changes are intended to maintain equilibrium between the investor’s policies and objectives and the asset allocation process.

#### **Use of Primary Method of Analysis or Strategy**

Kinetic Wealth’s primary method of analysis or strategy is a combination of Tactical, Strategic, and Dynamic asset allocation. Some of the risks involved with using this method include the fact that the economic environment and investment alternatives today are substantially different from those of the past. We believe that investors can no longer be myopic in their view of investments in so far as they restrict their analysis to domestic markets or investment vehicles.

#### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk. Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk** - When investing in stock positions, there is always a certain level of

company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk - When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk - When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk - Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

## **Item 9 – Disciplinary Information**

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events to disclose.

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

Kinetic Wealth IARs are Dually Registered persons of LPL Financial ("LPL"), a registered Broker/Dealer, member FINRA and SIPC. LPL Financial is a broker-dealer that is independently owned and operated and is not affiliated with Kinetic Wealth. Please refer to Item 12 for a discussion of the benefits Kinetic Wealth may receive from LPL Financial and the conflicts of interest associated with receipt of such benefits.

Clients may maintain multiple accounts with a representative, some of which are subject to an investment advisory relationship through Kinetic Wealth, while other accounts of the same client may operate under a brokerage relationship through LPL. When acting in an investment advisory capacity, the advisor is acting under a fiduciary duty to the client. Clients are under no obligation to purchase or sell securities through IARs. However, if a client chooses to implement the recommendations, commissions may be earned by IARs as registered representatives of LPL for brokerage transactions in addition to any fees paid for advisory services. Commissions may be higher or lower at LPL than at other broker/dealers. IARs have a conflict of interest in having clients purchase securities and/or insurance related products through LPL in that the higher their production with LPL the greater potential for obtaining a higher pay-out on commissions earned. Further, IARs may be restricted to only offering those products and services that have been reviewed and approved for offering to the public through LPL. The amount of time spent by each IAR offering securities products on a commission basis as a registered representative of LPL will vary. Some IARs may spend significantly more or less time offering commissionable products and services through LPL.

As discussed previously, certain associated persons of Kinetic Wealth are Registered Representatives of LPL Financial. As a result of this relationship, LPL Financial may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Kinetic Wealth's clients, even if client does not establish any account through LPL Financial. If you would like a copy of the LPL

Financial privacy policy, please contact our Chief Compliance Officer at 440-250-9500.

None of the services offered by Kinetic Wealth are to be considered legal or accounting services.

Kinetic Wealth IARs are also licensed to sell insurance and receive commissions for insurance sales, through LPL's affiliated insurance agency or through an independent insurance agency. When selling securities and insurance, your financial advisor has a financial incentive to recommend securities and insurance products based on the compensation received, rather than on the client's needs. In the case of insurance products, if insurance is sold through LPL's affiliated insurance agency, LPL addresses this conflict by maintaining a supervisory system to confirm that insurance recommendations are suitable and appropriate. If insurance is sold through an independent insurance agency, LPL addresses the conflict by reviewing and approving the financial advisor's request to conduct the activity as an outside business activity. If you have any questions regarding the compensation your financial advisor receives when recommending a security or insurance, you should ask your financial advisor. You are under no obligation to purchase securities or insurance through your financial advisor.

As discussed below, Kinetic Wealth has in place a Code of Ethics that provides for Kinetic Wealth and its Advisor Representatives to exercise its fiduciary duty to clients to act in the best interest of the client and always place the client's interests first and foremost. Kinetic Wealth takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Kinetic Wealth's policies and procedures.

Richard Mark Packer is the Manager of North Valley Financial Services LLC, an accounting firm. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Kinetic Wealth always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of Kinetic Wealth in such individuals outside capacities.

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

Kinetic Wealth has a fiduciary duty to clients to act in the best interest of the client and always place the client's interests first and foremost. Kinetic Wealth takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as Kinetic Wealth's policies and procedures. Further, Kinetic Wealth strives to handle clients' non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides clients with Kinetic Wealth's Privacy Policy. As such, Kinetic Wealth maintains a Code of Ethics for its IARs, supervised persons and staff.

The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about client transactions. Further, Kinetic Wealth's Code of Ethics establishes Kinetic Wealth's expectation for business conduct.

Kinetic Wealth's Code of Ethics is distributed to each employee and Advisor at the time of hire/contract, and, as the Code is modified. In addition, Kinetic Wealth requires an annual certification by all employees/Advisors regarding their understanding and compliance with the Code of Ethics. Kinetic Wealth also supplements the Code with annual training and on-going monitoring of employee activity.

A copy of our Code of Ethics will be provided to any client or prospective client upon request. You may contact our Chief Compliance Officer at 440-250-9500.

### **Participation or Interest in Client Transactions**

Related persons of Kinetic Wealth (any advisory affiliate and any person that is under common control with Kinetic Wealth) may buy or sell securities identical to those securities recommended to clients. Therefore, related persons may have an interest or position in certain securities that are also recommended and bought or sold to clients. Related persons will not put their interests before a client's interest. IARs may not trade ahead of their clients or trade in such a way to obtain a better price for themselves than for their clients. Kinetic Wealth is required to maintain a list of all securities holdings for its associated persons. Further, associated persons are prohibited from trading on non-public information or sharing such information. Clients have the right to decline any investment recommendation. Kinetic Wealth and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

Kinetic Wealth has established the following restrictions in order to meet its fiduciary responsibilities:

- IARs shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her affiliation with Kinetic Wealth, unless the information is also available to the investing public upon a reasonable inquiry. No person shall prefer his or her own interest to that of the advisory client.
- All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.
- Kinetic Wealth emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where third party advisory services are granted discretionary authority in the client's account.
- Kinetic Wealth requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- Any individual not in observance of the above may be subject to termination.

**NOTE:**

- 1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of Kinetic Wealth's clients trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above.
- 2) Open-end mutual funds and/or the investment sub-accounts which may comprise a variable life insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by IARs are not likely to have an impact on the prices of the fund shares in which clients invest and are therefore not prohibited by the Kinetic Wealth's investment policies and procedures.

In accordance with Section 204A of the Investment Advisers Act of 1940, Kinetic Wealth also maintains and enforces written policies and procedures reasonably designed to prevent the misuse of non-public information by Kinetic Wealth or any person associated with Kinetic Wealth.

## **Item 12 – Brokerage Practices**

### **Recommendation of Broker-Dealers for Client Transactions**

Kinetic Wealth recommends that clients utilize the custody, brokerage and clearing services of LPL Financial ("LPL") for investment management accounts. The final decision to custody assets with LPL is at the discretion of the client. Kinetic Wealth is independently owned and operated and not affiliated with LPL. Factors which Kinetic Wealth considers in recommending LPL or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service.

Taking these factors in consideration, our firm participates in the LPL institutional program. LPL Institutional is a division of LPL Financial member FINRA/SIPC. LPL Institutional is an independent and unaffiliated SEC-registered investment advisor. Kinetic Wealth Investment Advisors, LLC

registered broker-dealer. LPL offers services to independent investment advisers which include custody of securities, trade execution, clearance, and settlement of transactions. LPL enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL does not charge client accounts separately for custodial services. Client accounts will be charged transaction fees, commissions, or other fees on trades that are executed or settle into the client's custodial account. Transaction fees are negotiated with LPL and are generally discounted from customary retail commission rates. This benefits clients because the overall fee paid is often lower than would be otherwise.

LPL may make certain research and brokerage services available at no additional cost to our firm. Research products and services provided by LPL may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by LPL to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934.

LPL does not pay brokerage commissions generated by client transactions to Kinetic Wealth. The aforementioned research and brokerage services are used by our firm to manage accounts for which our firm has investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, our firm will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons creates a potential conflict of interest and may indirectly influence our firm's choice of LPL as a custodial recommendation. Our firm examined this potential conflict of interest when our firm chose to recommend LPL and have determined that the recommendation is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Our clients may pay a transaction fee or commission to LPL that is higher than another qualified broker dealer might charge to effect the same transaction where our firm determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided to the client as a whole.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Although our firm will seek competitive rates, to the benefit of all clients, our firm may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Kinetic Wealth receives support services and/or products from LPL Financial, many of which assist the Kinetic Wealth to better monitor and service program accounts maintained at LPL Financial; however, some of the services and products benefit Kinetic Wealth and not client accounts. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by Kinetic Wealth in furtherance of its investment advisory business operations

LPL Financial may provide these services and products directly, or may arrange for third party vendors to provide the services or products to Advisor. In the case of third party vendors, LPL Financial may pay for some or all of the third party's fees.

These support services are provided to Kinetic Wealth based on the overall relationship between Kinetic Wealth and LPL Financial. It is not the result of soft dollar arrangements or any other express arrangements with LPL Financial that involves the execution of client transactions as a condition to the receipt of services. Kinetic Wealth will continue to receive the services regardless of the volume of client transactions executed with LPL Financial. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the Kinetic Wealth to LPL or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement. However, because Advisor receives these benefits from LPL Financial, there is a potential conflict of interest. The receipt of these products and services presents a financial incentive for Advisor to recommend that its clients use LPL Financial's custodial platform rather than another custodian's platform.

### **Soft Dollars**

Our firm does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by our firm will generally be used to service all of our clients but not necessarily all at any one particular time.

### **Client Brokerage Commissions**

LPL does not make client brokerage commissions generated by client transactions available for our firm's use.

### **Client Transactions in Return for Soft Dollars**

Our firm does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

### **Brokerage for Client Referrals**

Our firm does not receive client referrals for brokerage.

### **Directed Brokerage**

Neither our firm nor any of our firm's representatives have discretionary authority in making the determination of the brokers-dealers and/or custodians with whom orders for the purchase or sale of securities are placed for execution, or the commission rates at which such securities transactions are effected. Our firm routinely recommends that clients direct us to execute through a specified broker-dealer. Our firm recommends the use of LPL. As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Kinetic Wealth may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, our firm will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Aggregation of Purchase or Sale**

Our firm provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

Since financial planning services terminate upon completion of the short-term consultation or special project, no reviews are performed. Clients can request a review and update of their financial situation at any time, but may be required to sign a new contract and may incur additional fees. Clients contracting for on-going financial planning services may request an update at no charge any time during the contract period.

Kinetic Wealth recommends that all clients have their financial situation reviewed and updated at least annually.

Asset management accounts are reviewed at least quarterly. Changes in the client's financial situation and/or changes in market conditions may trigger more frequent reviews.

Kinetic Wealth financial professionals reviews all client accounts.

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

Our firm may recommend LPL to clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice given to clients, although we receive economic benefits through our participation in the program that are typically not available to LPL retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Some of the products and services made available by LPL through the program may benefit our firm but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at LPL. Other services made available by LPL are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to LPL. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of LPL for custody and brokerage services.

Your financial advisor may act as a referral agent to, or engage as a co-advisor with, certain third-party asset



management firms (TAMPs). In such case, he or she receives compensation from the TAMP either in the form of a referral payment or an advisory fee, and you are provided disclosure about the arrangement and the compensation to be received at the time of the referral or engagement. Your financial advisor may also receive compensation in addition to a referral or advisory fee. For example, some TAMPs pay or reimburse financial advisors for attending conferences or for expenses for workshops, seminars presented to clients or advertising, marketing, or practice management. The eligibility of a financial advisor to receive such payments or reimbursements is often based on the amount of assets referred by the financial advisor to the TAMP.

### **Item 15 – Custody**

We do not have actual custody of any client's accounts. However, as disclosed in Item 5 of this brochure, we may directly debit our fees from client accounts as authorized. As part of this billing process, the client's custodian is advised of the amount of our fee which the custodian then debits from the client's account. On at least a quarterly basis, the custodian will send an account statement to the client that shows all transactions in the account during the reporting period. It is important for clients to carefully review their custodial statements to verify the accuracy of their fee calculation, among other things. Clients should contact us directly if he/she believes that there may have been an error in the calculation of their fee, or any other information provided in their statement

### **Item 16 – Investment Discretion**

Through its asset management services and upon receiving written authorization from a client, Kinetic Wealth will maintain trading authorization over client accounts. Upon receiving written authorization from the client, Kinetic Wealth may implement trades on a **discretionary** basis. When discretionary authority is granted, Kinetic Wealth will have the authority to determine the type of securities and the amount of securities that can be bought or sold without obtaining the client's consent for each transaction. However, it is the policy of Kinetic Wealth to consult with the client prior to making significant changes in the account even when discretionary trading authority is granted by the client.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

### **Item 17 – Voting Client Securities**

Kinetic Wealth and its associated persons do not accept authority to vote any proxies on behalf of the firm's clients. Clients are responsible for all proxy voting. All proxies are directed to the clients at their address of record. In some instances, upon request from the client, Kinetic Wealth's associated persons may give recommendations or clarifications based upon their understanding of issues presented in the proxy voting materials. They may also conduct additional research on the issue if they feel it is necessary. However, the client is solely responsible for all proxy voting decisions.

### **Item 18 – Financial Information**

As an advisory firm that maintains discretionary authority for client accounts, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Kinetic Wealth has no adverse financial circumstances to report.

Kinetic Wealth does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Kinetic Wealth has not been the subject of a bankruptcy petition at any time (*Please refer to Information Required by Part 2B of Form ADV: Brochure Supplement for more information*).

**RICHARD MARK PACKER**

28045 Clemens Rd, Ste D Westlake,  
OH 44145  
440-250-9500

**Kinetic Wealth Investment Advisors, LLC**

28045 Clemens Rd, Suite D  
Westlake, OH 44145  
Phone: 440-250-9500

October 30, 2023

This brochure supplement provides information about Richard Packer as a supplement to the Kinetic Wealth Investment Advisors, LLC ("Kinetic Wealth") disclosure brochure. You should have received a copy of the Kinetic Wealth disclosure brochure that describes the investment advisory services offered through Kinetic Wealth, a registered investment adviser. Please contact Kinetic Wealth at the telephone number above or email [richard.packer@kinetic-wealth.com](mailto:richard.packer@kinetic-wealth.com) if you did not receive the Kinetic Wealth brochure or if you have any questions about the contents of the supplement. Additional information about Richard Packer is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Richard Mark Packer

Year of birth: 1973

### **Education**

Kent State University; Bachelor of Science in Finance

09/01/1991 - 12/15/1995

### **Business Experience**

Kinetic Wealth Investment Advisors, LLC; Managing Member, Chief Compliance Officer

11/2020-PRESENT

LPL Financial, LLC; Registered Representative

09/2004 - PRESENT

### **Professional Designations**

#### **Chartered Life Underwriter® - CLU® American College 11/2004**

Issuing Organization: The American College

Prerequisites: Three years of full-time business experience within the five years preceding the awarding of the designation.

Educational Requirements: Five core and three elective courses, equivalent of 24 semester credit hours.

Examination Type: Final closed-book, proctored exam for each course.

Continuing Education Requirements: 30 hours every two years.

#### **Chartered Financial Consultant® - ChFC® American College 10/1999**

Issuing Organization: The American College

Prerequisites: Three years of full-time business experience within the five years preceding the awarding of the designation.

Educational Requirements: Seven core and two elective courses, equivalent of 27 semester credit hours.

Examination Type: Final closed-book, proctored exam for each course.

Continuing Education Requirements: 30 CE credits every two years.

#### **Certified Financial Planner - CFP® CFP Board of Standards 03/1999**

Issuing Organization: Certified Financial Planner Board of Standards, Inc.

Prerequisites: Candidate must have a bachelor's degree (or higher) from an accredited college or university, and three years of full-time personal financial planning experience or the equivalent experience (2,000 hours equals one year full-time).

Educational Requirements: Candidate must complete a CFP-board registered program, or hold one of the following: CPA, ChFC, CLU, CFA, Ph.D. in business or economics, Doctor of Business Administration, or an Attorney's License.

Examination Type: Final certification examination.

Continuing Education Requirements: 30 CE credits every two years.

## LEGAL AND DISCIPLINARY EVENTS

Your financial advisor has no legal or disciplinary events required to be disclosed in response to this item.

There may be items that are contained on [brokercheck.finra.org](http://brokercheck.finra.org) or [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) that you may

wish to review and consider in your evaluation of your advisor's background.

## **OTHER BUSINESS ACTIVITIES**

Your financial advisor provides brokerage services as a registered representative of LPL Financial and receives commissions and other types of compensation for the sale of securities. Your financial advisor is also licensed to sell insurance and receive commissions for insurance sales, through LPL's affiliated insurance agency or through an independent insurance agency. When selling securities and insurance, your financial advisor has a financial incentive to recommend securities and insurance products based on the compensation received, rather than on the client's needs. In the case of securities, LPL addresses this conflict by maintaining a supervisory system for its registered representatives to confirm that recommendations are suitable and appropriate. In the case of insurance products, if insurance is sold through LPL's affiliated insurance agency, LPL addresses this conflict by maintaining a supervisory system to confirm that insurance recommendations are suitable and appropriate. If insurance is sold through an independent insurance agency, LPL addresses the conflict by reviewing and approving the financial advisor's request to conduct the activity as an outside business activity. If you have any questions regarding the compensation your financial advisor receives when recommending a security or insurance, you should ask your financial advisor. You are under no obligation to purchase securities or insurance through your financial advisor.

Richard Mark Packer is the Manager of North Valley Financial Services LLC, an accounting firm. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Kinetic Wealth always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of Kinetic Wealth in such individuals outside capacities.

## **ADDITIONAL COMPENSATION**

Your financial advisor receives economic benefits from persons other than clients in connection with advisory services. Please ask your financial advisor about whether he or she receives any of the forms of additional compensation outlined below.

If your financial advisor provides you services in a Strategic Wealth Management (SWM) account, you pay LPL a transaction charge that varies depending on the type of security you buy or sell (e.g., mutual funds, equities, ETFs, fixed income, UITs and options). If your financial advisor provides services to you in a SWM II account, your financial advisor pays LPL for transactions depending on the type of security. In the case of mutual funds in SWM II, the amount your financial advisor owes to LPL depends on the amount of recordkeeping fees that LPL receives from the mutual fund and/or whether the sponsor of the mutual fund participates in LPL's "No Transaction Fee Network." The fact that your financial advisor pays transaction charges in SWM II presents a conflict of interest because it creates a financial incentive for your advisor to select a lower transaction charge security type or mutual fund. In particular, your financial advisor has an incentive to select No Transaction Fee Funds for your accounts to avoid paying transaction charges. It also creates a financial incentive for your advisor to not place transactions in your account. However, when your financial advisor provides investment advisory services, he or she is a fiduciary under the Investment Advisers Act and has a duty to act in your best interest and to make full and fair disclosure to you of all material facts and conflicts of interest.

Financial advisors are able to receive additional compensation from product sponsors, such as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or training events or marketing or advertising initiatives. However, such compensation may not be tied to the sales of any products.

Your financial advisor receives compensation as a result of your participation in LPL advisory programs. LPL shares a portion of the account fee you pay with your financial advisor, which may be more or less than what your financial advisor would receive at another investment adviser firm. Your financial advisor receives other types of compensation, such as bonuses, awards or other things of value from LPL (or the bank or credit union at which your financial advisor may be located). As described below, compensation arrangements with LPL can give your financial advisor an incentive to remain associated with LPL and recommend an advisory

program over other programs and services. However, your financial advisor may only recommend a program or service that he or she believes is suitable and in your best interests in accordance with the applicable standards under the Investment Advisers Act.

LPL pays your financial advisor in different ways, such as:

- Payments based on production
- Equity awards from LPL's parent company
- Reimbursement or credits of fees that your financial advisor pays to LPL for items such as but not limited to administrative services or technology fees
- Free or reduced-cost marketing materials
- Payments in connection with the transition of association from another broker-dealer or investment adviser firm to LPL
- Advances of advisory fees
- Payments in the form of repayable or forgivable loans
- Attendance at LPL conferences and other events

This compensation can be based on various factors such as: your financial advisor's overall business production, tenure at the firm and/or on the amount of assets serviced in LPL advisory programs. The amount of this compensation may be more or less than what your financial advisor would receive if you participated in other LPL programs, programs of other investment adviser firms or paid separately for investment advice, brokerage and other services.

LPL also charges financial advisors various fees under its independent contractor agreement, for example, for administrative, custody and clearing services, technology and licensing. In certain cases, LPL charges these fees based on overall business production and/or on the amount of assets serviced in LPL advisory relationships. When fees are charged by LPL based on the level of production or advisory assets of a financial advisor, he or she has a financial incentive to meet those production or asset levels. The amount of these fees could be less than what the financial advisor would pay if he or she associated with another firm and could be an incentive to become associated with LPL over another firm. The fees that the financial advisor pays to LPL could be less for one program over another, and therefore, a financial advisor could have a financial incentive to recommend advisory services in that program over other programs.

LPL provides various benefits and/or payments to financial advisors who are newly associated with the firm. If your financial advisor recently became associated with LPL, he or she received benefits or payments in connection with the transition from another firm. These benefits or payments, which are often significant, are intended to assist the financial advisor with the costs (including foregone revenues during account transition) associated with the transition, such as moving expenses, leasing space, furniture, staff and termination fees associated with moving accounts; however, LPL does not confirm the use of these payments for such transition costs. These payments can be in the form of either forgivable or repayable loans. The loans are paid or forgiven by LPL based on the financial advisor's years of service with LPL and/or the scope of business engaged in with LPL, including the amount of advisory and/or brokerage account assets with LPL.

LPL also provides payments to existing financial advisors in the form of forgivable or repayable loans. These loans, which can be significant, are for various purposes, for example, retention purposes or assistance to build out office space or acquire a practice.

These benefits and/or payments to newly associated and existing financial advisors present a conflict of interest in that the financial advisor has a financial incentive to recommend that a client engage with him or her and LPL for advisory services, and to recommend switching investment products or services where a client's current investment options are not available through LPL, in order for the payment to be made or the loan to be forgiven.

Your financial advisor may act as a referral agent to, or engage as a co-advisor with, certain third-party asset management firms (TAMPs). In such case, he or she receives compensation from the TAMP either in the form of a referral payment or an advisory fee, and you are provided disclosure about the arrangement

and the compensation to be received at the time of the referral or engagement. Your financial advisor may also receive compensation in addition to a referral or advisory fee. For example, some TAMPs pay or reimburse financial advisors for attending conferences or for expenses for workshops, seminars presented to clients or advertising, marketing, or practice management. The eligibility of a financial advisor to receive such payments or reimbursements is often based on the amount of assets referred by the financial advisor to the TAMP.

### **SUPERVISION**

As Managing Member of Kinetic Wealth, Richard Packer supervises the advisory activities of the firm. Richard Packer can be reached at 440-250-9500.