



BetterWealth  
enlightened discipline

## Form ADV Part 2A Disclosure Brochure

March 2019

This brochure provides information about the qualifications and business practices of BetterWealth LLC (“BetterWealth”). If you have any questions about the contents of this brochure, please call us toll free at 866-659-2522 or send an email to [scott@BetterWealth.us](mailto:scott@BetterWealth.us).

BetterWealth is a registered investment adviser with the U.S. Securities and Exchange Commission (“SEC”). The information in this brochure has not been approved or verified by the SEC or by any State Securities Authority. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser provides you with information about which you determine to hire or retain an Adviser.

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

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## Item 2 – Material Changes

Form ADV 2 is divided into two parts, *Part 2A* and *Part 2B*. *Part 2A* (the “Disclosure Brochure”) provides information about a variety of topics relating to an Adviser’s business practices and conflicts of interest. *Part 2B* (the “Brochure Supplement”) provides information about certain advisory personnel.

BetterWealth believes that communication and transparency are the foundation of our relationship and we continually strive to provide our clients with complete and accurate information at all times. BetterWealth encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with us. In addition, we welcome your feedback.

### Material Changes

The firm has adjusted the standard management fee schedule, effectively lowering the previously disclosed lowest fee charged for assets over \$3 Million. Fees above \$4 Million remain negotiable.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a summary of Material Changes shall be provided to each Client annually or if a material change is made.

At any time, you may view the current Disclosure Brochure online at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for BetterWealth,

- Click **Investment Adviser Search** in the left navigation menu and enter. Select the option for Firm and enter **226661** (*our firm’s CRD number*) in the field labeled “Firm Name or IARD# or CRD#” and click “Start Search”
- BetterWealth will be listed. Click on “Investment Adviser Firm”
- Click on “SEC”
- ADV Part 1 will be displayed
- This will provide access to Form ADV
- Item 11 of the ADV Part 1 lists legal and disciplinary questions

You may also request a copy of this Disclosure Brochure at any time, by contacting us toll free at [866-659-2522](tel:866-659-2522).

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## Item 4 – Advisory Business

### Description of the Company

BetterWealth is a limited liability company formed in the State of California and was founded in 2015 by W. Scott Stauffer. Mr. Stauffer has been a financial adviser since 2002, previously with Edward Jones (2002 to 2012) and Wealth Design, LLC (2012 to 2015). In January 2018, Andrew L. Howard became a Principal of BetterWealth. Mr. Howard has been a financial adviser since 2004, previously with Edward Jones (2004 -2017).

BetterWealth offers portfolio management and financial planning services to long-term investors based on well-documented and academically proven investment strategies.

### Types of Investment and Advisory Services Offered

#### Wealth Management Services

BetterWealth is a wealth management firm, offering integrated financial planning and asset management services. Upon entering into an advisory agreement, BetterWealth will create an investment policy statement for investing assets and for monitoring and rebalancing client accounts on an ongoing basis. The investment policy statement outlines the client's investment goals, risk tolerance, target portfolio allocations and rebalancing guidelines. As goals and objectives change over time, recommendations are made and implemented to reflect any new information. When the power of our financial planning service is combined with our asset management service, we call it "wealth management."

#### Financial Planning Services

Financial planning is a process and may include a review of a Client's net worth (including assets and liabilities), objectives, risk tolerance, risk capacity, cash flow and expenses, a review of investment accounts (including reviewing asset allocation and providing asset allocation recommendations), income tax analysis, stock option planning, executive benefits review, retirement forecast and probability analysis, educational funding analysis, estate planning analysis and risk management and insurance review.

BetterWealth's approach to providing this service starts with a formal discovery process designed to help understand the client's current financial and subjective information. BetterWealth assesses the client's goals, objectives, time horizon, and other factors to compare where the client is today in relation to the attainment of their stated goals. A series of analyses, policies and recommendations are developed to facilitate the attainment of the client's goals and objectives based on what is truly important to the client.

#### Asset Management Services

The foundation of BetterWealth's investment management philosophy is based on rigorous academic research and financial science. Studies show that a properly diversified selection of uncorrelated asset classes, managed with a disciplined rebalancing methodology, may be the best approach to provide investors the highest probability of attaining their financial goals. A number of empirical studies have also proven that asset allocation (or asset class selection) -

choice of riskier assets (e.g. stocks) vs. less risky assets (e.g. bonds or cash equivalents), for instance – is what matters most in determining the risk and return of a portfolio.

Client portfolios are broadly diversified, both across and within asset classes, based on the following core beliefs:

- Public securities markets are highly efficient,
- Passive, structured portfolios generally outperform actively managed strategies over time,
- Effective asset allocation and diversification are important to investment success, and
- Six systematic risk factors reward investors over the long run: (a) market risk, (b) size risk, (c) valuation risk, and (d) profitability risk in equities; and (e) maturity risk and (f) credit risk in fixed income.

Portfolios can be customized to each client or family and may include cash equivalents, domestic fixed income, international fixed income, large company stocks, small company stocks, value stocks, international stocks, emerging market stocks and commodity and real estate securities.

A guiding principle of the BetterWealth's discipline is keeping investment expenses transparent, straightforward, competitive and low, which proportionately increase net returns. We maintain low portfolio management fees and utilize low-cost institutional investment vehicles in client portfolios that, in most cases, are not directly available to retail investors. Investment policies are generally implemented using no-load, institutional mutual funds offered by Dimensional Fund Advisers, Vanguard or other passively managed vehicles. Client portfolios are designed for the long-term investor who believes capital markets will deliver fair and competitive returns over time.

Once established, we will not change the asset allocation risk level within your model portfolio without consulting you and obtaining your prior approval. We recognize, however, that goals and objectives change so BetterWealth does have discretion to change the individual securities within established asset classes when we conclude that different holdings would better serve client goals and objectives.

### [Business Retirement Plans](#)

BetterWealth will work with business clients to develop, design and implement a retirement savings plan for their employees. BetterWealth provides objective financial advice to plan sponsors and senior management regarding issues involving retirement plan options, wealth accumulation strategies for employees and participant education.

### [Financial Consulting](#)

For clients who may not need a full financial plan, we offer investment, financial planning and tax advice on a more limited basis. This generally includes advice on only isolated areas of concern – for example, real estate consulting and outside investment portfolio reviews. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations, as the process is less formal than our planning service.

For written financial planning engagements, we provide our clients with a written summary of their

financial situation, observations, and recommendations.

Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly.

### **Summary**

In performing its Advisory Services, BetterWealth trusts that the client will provide accurate information and BetterWealth will not be obligated to verify any information received from the client or from the client's other professionals. If requested by the client, BetterWealth may recommend the services of other professionals for purposes of implementing the strategy. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any recommendation from BetterWealth. Moreover, clients are advised that it remains their responsibility to promptly notify BetterWealth if there is ever any change in their financial situation during the ongoing financial planning process, including any change to any investment objectives, risk tolerance, investment time horizon, and any investment policies, guidelines or reasonable restrictions.

### **Client Account Management**

When providing Asset Management Services, BetterWealth will work with each client to determine and understand their unique circumstances, including the following: financial objectives, risk tolerance, time horizon, liquidity needs and tax situation. BetterWealth will then develop a written investment policy statement that reflects these circumstances and guides the investment strategy for each client. Clients may be as involved in the management of their accounts as they choose. However, clients are expected to be actively engaged in the investment policy statement and initial allocation process. Clients can instruct BetterWealth to include or exclude certain asset classes in their portfolio. Client portfolios are reviewed at least quarterly for rebalancing purposes. BetterWealth investment adviser representatives are available during business hours to communicate with clients as needed about their accounts and their financial situations.

### **Wrap Fee Programs**

BetterWealth does not offer wrap fee programs.

### **Assets Under Management**

As of December 31, 2018, BetterWealth manages approximately \$245,417,360 in discretionary assets under management, and \$6,948,749 in non-discretionary assets under management, for a total of \$252,366,109.

## Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for asset management services. Each Client shall sign an Advisory Agreement that details the responsibilities of BetterWealth and the client.

### Fees for Advisory Services

#### Asset Management

BetterWealth charges a single fee for its services. Those engaging the firm for asset management services only, for any reason, pay the same fee. Typically, fees are a fixed percentage of the assets under management.

Client fees will generally adhere to the following table:

Assets Under Management	Annual Advisory Fee
\$0 to \$1,999,999	1.00%
\$2,000,000 to \$2,999,999	0.85%
\$3,000,000 to \$3,999,999	0.75%
Over \$4,000,000	Negotiable

These fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter. In certain situations, we may charge clients a fixed fee on a quarterly basis.

#### Financial Planning and Consulting:

We charge on an hourly or fixed fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$400 for Financial Advisers, and \$175 per hour for Assistants. Fixed fees generally range from \$2,500 to \$10,000. The annual retainer may range from \$500 to \$10,000.

We believe our fees are very competitive. However, you may be able to obtain similar services from other advisers at a lower price.

### Method of Billing

#### Asset Management

Fees are a fixed percentage of assets under management, based upon the account value on the last day of the quarter. Fees for asset management services vary depending on the amount of assets to be managed. Clients are invoiced quarterly in advance for advisory services. For accounts opened during the quarter fees will be prorated to cover only that period during which

BetterWealth managed the account.

The Custodian will automatically deduct asset-based management fees from the client account. BetterWealth will send a quarterly invoice to the Custodian indicating the amount of the fees to be deducted from the client account. The amount due is calculated by converting the annual rate in the table above to a quarterly rate and applying it to the total assets under management with BetterWealth during the quarter. Each billing will be for a single quarter, paid in advance. Clients will receive independent statements from the Custodian no less frequently than quarterly. It is the responsibility of the client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility.

#### Financial Planning and Consulting

Our firm will not charge a fee for the initial consultation. Once an agreement has been signed however, we require the full payment of the financial planning and consulting. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

#### **Other Fees and Expenses**

Investment advisory fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses that may be incurred by the client. Clients may have charges imposed by custodians such as custodial fees, overnight mailing fees, wire transfer or electronic fund fees, and other possible fees and taxes. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These expenses are in addition to BetterWealth's investment management fees. BetterWealth does not receive any portion of these fees.

#### **Return of Unearned Management Fees**

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

#### **Compensation from the Sale of Investment Products**

We do not accept compensation or commissions for the sale of securities or other investment products.

## **Item 6 – Performance-Based Fees & Side-By-Side Mgmt.**

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BetterWealth does not charge performance fees to clients – fees based on the share of capital gains on or capital appreciation of the assets of a client. BetterWealth does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options for its clients.

## Item 7 – Types of Clients and Account Requirements

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BetterWealth provides portfolio management services to individuals, high-net-worth individuals, corporate profit-sharing plans, charitable organizations, corporations or business entities, foundations, and endowments.

Generally, BetterWealth clients have a liquid net worth between \$1,000,000 and \$15,000,000. Each client situation is unique and we will work with clients to make sure BetterWealth is a good fit within and outside of these parameters. As such, BetterWealth does not require a minimum account balance for our asset management service. However, BetterWealth does reserve the right to terminate a client account if the account size is too small to effectively service or our costs would be abnormally higher for the services provided than what is in the client's best interests.

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

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### Methods of Analysis

BetterWealth relies on several sources for information to analyze investment securities and develop portfolio management strategies and allocations. We use publicly available research reports regarding individual securities, mutual funds constructed from these securities, and exchange traded funds. We also use the DFA Returns Program of historical asset class returns and DFA white papers and research publications, TD Ameritrade Institutional and other brokerage firm research reports and white papers, newspapers, financial websites, various financial periodicals, financial trade journals and periodic discussions with fund managers and professional colleagues. BetterWealth also has access to well-known academic researchers who provide in-depth research materials and education.

### Investment Strategies

BetterWealth clients usually have a long-term investment perspective of at least 5 to 7 years (and sometimes 15 to 20 years or more). The analysis of asset classes includes reviewing historical and expected rates of return, standard deviations, and correlation coefficients between asset classes. Investment policy statements with target asset allocations are prepared in recognition of each client's risk tolerance investment objectives and constraints and long-term goals. Occasionally, BetterWealth will purchase certain securities for shorter-term needs. For example, when harvesting tax losses, BetterWealth will generally purchase replacement funds that are similar to a client's portfolio funds and hold them for 31 days to avoid wash sales rules. The original funds are usually then repurchased. Another example of a short-term holding period is when cash or other short maturity fixed income security is held for a client's short-term funding

goals. BetterWealth takes into account the trading costs of these strategies and only recommends them to clients when the expected after-tax benefits exceed expected costs.

Account rebalancing occurs at least annually as part of the regular monitoring and reporting process. Reviews are also triggered by other events such as:

- Receipt of new money to be invested,
- Disbursement requests made by the client,
- Following client notification of BetterWealth of significant changes in their financial circumstances, or
- Significant changes in financial market conditions.

Portfolio trading is limited to the funds and allocations constrained in each client's individualized written investment policy statement. Occasionally deviations from the policy statement may occur due to situations such as:

- Client requests to defer rebalancing the portfolio,
- Excess cash requirements of the client,
- Replacement of a portfolio security for a similar security in the same asset class,
- Gradual reduction of one or more holdings to increase or decrease risk exposure at the request of the client,
- Tax planning activities such as loss harvesting.

Investment policy statements and client notes are updated to reflect any changes requested by the client or recommended by BetterWealth.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

### **Allocation of Cash and Margin**

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to asset management service.

Clients are generally able to borrow against the securities held in their accounts utilizing margin loans offered by their custodian. However, since margin borrowing increases investment risk and raises costs for clients, margin is not generally used as an investment strategy for BetterWealth clients.

## Item 9 – Disciplinary Information

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BetterWealth values the trust you place in us. As we advise all clients, we encourage you to perform the requisite due diligence on any adviser or service provider with which you partner. Background information is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for BetterWealth:

- Click Investment Adviser Search in the left navigation menu
- Select the option for Firm and enter 226661 (our firm’s CRD number) in the field labeled “Firm Name or CRD# or SEC#” and click “Start Search”
- Click on “Investment Adviser Firm”
- Click on “SEC”
- This will provide access to Form ADV Parts 1 and 2
- Item 11 of the ADV Part 1 lists legal and disciplinary questions.

There are no legal, regulatory or disciplinary events involving BetterWealth or any of its employees.

## Item 10 – Other Financial Industry Activities & Affiliations

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### Broker-Dealer

BetterWealth does not sell securities for a commission and as such we are not registered representatives of any broker-dealer.

### Futures and Commodity Entities

We have no arrangements that are material to our advisory business or our clients with any other entity.

### Other Investment Adviser

We do not recommend or select other investment advisers for our clients where we receive compensation directly or indirectly from those advisers, nor do we have other business relationships with those advisers.

## Item 11 – Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

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BetterWealth recognizes that the personal investment transactions of members and employees

of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics, which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics, which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

We do not recommend to clients, or transact in client accounts, securities in which our firm or a related person has a material financial interest. Related persons of our firm may buy or sell securities at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 48 hours of buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

### **Department of Labor – Fiduciary Rule**

In 2016, the Department of Labor finalized rules (DOL Fiduciary Rule) imposing additional standards of care for providers of investment advice to, and management of IRAs and other retirement accounts.

BetterWealth exercises discretionary investment authority over the accounts we manage for our clients. These accounts include IRAs and other retirement plan accounts. We also provide investment and financial planning advice including recommendations to incorporate retirement plan assets under our management and/or to roll money from company retirement plans into

IRA's. Under the DOL rule we are considered to be a fiduciary to these retirement accounts. Under the requirements of the DOL rule, we are required to act in the best interests of our clients in respect to recommendations involving retirement accounts (including recommendations to roll over retirement funds to an IRA) taking into account other available alternatives. Alternatives may include (but are not limited to): Leaving retirement assets in the company's plan; consideration of fees and expenses associated with an existing plan or an IRA rollover, and consideration of the level of service available to the client under each of the alternatives.

BetterWealth is a fee-only investment advisory firm and as it relates to retirement plan accounts, BetterWealth does not receive sales commissions, trailing commissions, other product commissions, other payments tied to sales incentives, or compensation from third parties. In addition, we do not vary our investment advisory fees based on the investment mix or securities used in our client accounts. As a result of periodic market surveys, BetterWealth believes that our investment management fee structure is reasonable and consistent with the pricing offered by other registered investment advisory firms. BetterWealth employees do not receive salaries or bonuses that are dependent on the types of investments chosen for client accounts.

## Item 12 – Brokerage Practices

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### Research and Other Soft Dollar Benefits

BetterWealth does not participate in any soft-dollar arrangements.

### Use of Custodians

BetterWealth does not maintain custody of client assets on which we advise (see Custody section), and as such investment advisory client assets must be maintained in an account at a "qualified custodian", generally a broker-dealer or bank. For investment advisory clients, BetterWealth will generally require that clients establish brokerage accounts with TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC/, to maintain custody of clients' assets and to effect trades for their accounts. BetterWealth is independently owned and operated and not affiliated with this organization.

This organization services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or require a significantly higher minimum initial investment.

BetterWealth's staff will assist clients in establishing and maintaining accounts with the aforementioned custodians through the preparation of account applications and other account-related documentation and by acting as a liaison between the client and the custodian as needed (generally for client signatures or for other information required by the custodian). While BetterWealth may recommend the use of a particular brokerage or custodian, BetterWealth does not have the discretionary authority to establish client accounts without account applications signed by the client.

For BetterWealth's client accounts maintained in the custody of the aforementioned institution, this organization generally does not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through them or that settle into their accounts. In some cases, the fees applicable to our investment advisory client accounts were negotiated with the custodian based on our commitment to maintain a certain minimum amount of our clients' assets statement equity with the custodian. This commitment benefits you because the overall fees you pay are lower than they would be if we had not made the commitment.

BetterWealth seeks to use a custodian who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, 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 your account)
- Capabilities 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 BetterWealth 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, and
- Their prior service to BetterWealth and our other clients.

### **Brokerage Referrals**

BetterWealth does not receive any compensation from TD Ameritrade or any other entity in connection with the recommendation for establishing a brokerage account.

### **Directed Brokerage**

We do not routinely recommend, request or require that a client direct us to execute transactions through a specified broker-dealer. Because of our relationship with TD Ameritrade we may recommend TD Ameritrade to clients for custody and brokerage services. We are not affiliated with TD Ameritrade. We do not allow client-directed brokerage.

We perform 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. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner that is

deemed equitable to the accounts involved. In any given situation, we attempt 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.

### **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, we 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.

## **Item 13 – Review of Accounts or Financial Plans**

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BetterWealth advisers review accounts on at least a quarterly basis for our clients subscribing to our Asset Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

Financial planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

We may review client accounts more frequently than described above. Among the factors, which may trigger an off-cycle review, are major market or economic events, the client's life events, requests by the client, etc.

We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to our Asset Management service.

As also mentioned above, financial planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

## Item 14 – Client Referrals & Other Compensation

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BetterWealth may refer clients to various third parties to provide certain financial services necessary to meet the goals of its clients. Likewise, BetterWealth may receive referrals of new clients from a third-party. While not a contractual program, as a show of appreciation, BetterWealth may send a one-time non-cash consideration (i.e. gift box, etc.) to third parties/clients for the referral of new clients. BetterWealth does not accept any fees for the referral of clients to third parties. Those referrals are a professional courtesy and in the interest of the client.

BetterWealth does not pay any solicitors to refer business to BetterWealth.

BetterWealth may receive an economic benefit from external sources in the form of the support products and services they make available to our firm and other independent investment advisers. As disclosed under Item 12, our firm participates in the TD Ameritrade Institutional customer program and the firm may recommend TD Ameritrade Institutional to its clients for custody and brokerage services.

There is no direct link between the firm's participation in the program and the investment advice given to clients, although the firm receives economic benefits through its participation in the program that are typically not available to "retail investors." These benefits include the following products and services (provided either 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 clients;
- Access to block trading (which provides the firm the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client's accounts);
- The ability to have advisory fees deducted directly from client's accounts per a written agreement;
- 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 research, products or services provided to the firm by third party vendors.

TD Ameritrade Institutional may also pay for business consulting and professional services received by our firm. Some of the products and services made available by TD Ameritrade Institutional through a program may benefit the firm but may not benefit client accounts. These products or services may assist the firm in managing and administering client accounts. These

other services made available by TD Ameritrade Institutional are intended to help our firm manage and further develop its business enterprise. The benefits received by our firm or its associates through participation in a program do not depend on the amount of brokerage transactions directed to TD Ameritrade Institutional. Although there is no direct compensation from TD Ameritrade, these services do have a potential conflict of interest whereby BetterWealth will generally recommend TD Ameritrade.

As part of its fiduciary duty, BetterWealth endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of any economic benefit by our firm or its associates in and of itself creates a potential conflict of interest and may influence the choice of TD Ameritrade Institutional for custody and brokerage services.

## Item 15 – Custody

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BetterWealth does not accept or maintain custody of any client securities. All clients must place their assets with a qualified custodian. All of our clients receive account statements at least quarterly directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

Based on the No-Action Letter submitted by the Investment Adviser Association dated February 21, 2017, the SEC indicates that an adviser generally has custody where a client grants the adviser power in a standing letter of authorization (“SLOA”) to conduct third party transfers (i.e. Instruct the qualified custodian to accept the adviser’s direction on the client’s behalf to move money to a third party designated in the SLOA). These SLOAs have been put in place upon the client’s written request and signature. For instance, the amount or timing of the transfers may not be on the SLOA submitted to the custodian; however, at a future date, a client will contact BetterWealth requesting that the adviser submit instructions to the custodian to remit a specific dollar amount from the account to the designated third-party (both of which are identified in the SLOA that is on file). As further outlined in the No-Action Letter, BetterWealth is exempt from certain ongoing requirements of the Custody Rule as we comply with the seven conditions stated therein.

## Item 16 – Investment Discretion

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BetterWealth generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from the client. However, these purchases or sales may be subject to specified investment policies, guidelines, or limitations previously set forth by the client and agreed to by BetterWealth in the investment policy statement.

BetterWealth clients sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Asset Management clients. We do not take or exercise discretion with respect to our other clients.

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

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As a matter of firm policy and practice, BetterWealth does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. BetterWealth may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

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Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about BetterWealth's financial condition. BetterWealth has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we have not included a balance sheet for our most recent fiscal year.

## Privacy Notice Regarding Client Privacy as Required by Regulation S-P & Regulation S-AM

Maintaining the trust and confidence of our clients is a high priority. That is why we want you to understand how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of BetterWealth, LLC.

**Information We Collect:** In connection with providing investment products, financial advice, or other services, we obtain non-public personal information about you, including:  
Information we receive from you on account applications, such as your address, date of birth, Social Security Number, occupation, financial goals, assets and income;  
Information about your transactions with us, our affiliates, or others; and  
Information received from credit or service bureaus or other third parties, such as your credit history or employment status.

**Categories of Information We Disclose:** We may only disclose information that we collect in accordance with this policy. BetterWealth, LLC does not sell customer lists and will not sell your name to telemarketers.

**Categories of Parties to Whom We Disclose:** We will not disclose information regarding you or your account at BetterWealth, LLC, except under the following circumstances:

- To entities that perform services for us or function on our behalf, including financial service providers, such as a custodian, investment company, or insurance company;
- To consumer reporting agencies,
- To third parties who perform services or marketing on our behalf;
- To your attorney, trustee or anyone else who represents you in a fiduciary capacity;
- To our attorneys, accountants or auditors; and
- To government entities or other third parties in response to subpoenas or other legal process as required by law or to comply with regulatory inquiries.

**How We Use Information:** Information may be used among companies that perform support services for us, such as data processors, technical systems consultants and programmers, or companies that help us market products and services to you for a number of purposes, such as:

- **To protect your accounts** from unauthorized access or identity theft;
- **To process your requests** such as securities purchases and sales;
- **To establish or maintain an account with an unaffiliated third party**, such as a custodian providing services to you and/or BetterWealth, LLC;
- **To service your accounts**, such as by issuing checks and account statements;
- **To comply** with Federal, State, and Self-Regulatory Organization requirements;
- **To keep you informed** about financial services of interest to you.

**Regulation S-AM:** Under Regulation S-AM, a registered investment adviser is prohibited from using eligibility information that it receives from an affiliate to make a marketing solicitation unless: (1) the potential marketing use of that information has been clearly, conspicuously and concisely disclosed to the consumer; (2) the consumer has been provided a reasonable opportunity and a simple method to opt out of receiving the marketing solicitations; and (3) the consumer has not opted out. BetterWealth, LLC does not receive information regarding marketing eligibility from affiliates to make solicitations.

**Regulation S-ID:** Regulation S-ID requires our firm to have an Identity Theft Protection Program (ITPP) that controls reasonably foreseeable risks to customers or to the safety and soundness of our firm from identity theft. We have developed an ITPP to adequately identify and detect to prevent and mitigate identity theft.

**Our Security Policy:** We restrict access to nonpublic personal information about you to those individuals who need to know that information to provide products or services to you and perform their respective duties. We maintain physical, electronic, and procedural security measures to safeguard confidential client information.

**Closed or Inactive Accounts:** If you decide to close your account(s) or become an inactive customer, our Privacy Policy will continue to apply to you.

**Complaint Notification:** Please direct complaints to: W. Scott Stauffer at BetterWealth, LLC, 1475 Saratoga Ave, Suite #200, San Jose, CA 95129.

**Changes to This Privacy Policy:** If we make any substantial changes in the way we use or disseminate confidential information, we will notify you. If you have any questions concerning this Privacy Policy, please contact us at: BetterWealth, LLC; 1475 Saratoga Ave, Suite #200, San Jose, CA 95129; or phone: (866) 659-2522.

## Form ADV Part 2B - W. Scott Stauffer, CFP®, AIF®

### Principal & Chief Compliance Officer

**March 2019**

This Brochure Supplement provides information about W. Scott Stauffer, CFP®, AIF® (CRD No. 4488351) that supplements the BetterWealth, LLC Brochure. You should have received a copy of that Brochure. Please contact W. Scott Stauffer, Chief Compliance Officer, at the telephone number below or [scott@BetterWealth.us](mailto:scott@BetterWealth.us) if you did not receive BetterWealth's Disclosure Brochure or if you have any questions about the content of this supplement.

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

BetterWealth, LLC CRD No: 226661

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408-659-2390 phone

866-659-2522 toll free

408-659-2391 fax

[www.BetterWealth.us](http://www.BetterWealth.us)

## Item 2 – Educational Background and Business Experience

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### **W. Scott Stauffer, CFP®, AIF®**

Born in 1963

#### Educational Background

2001 – University of California at Davis, Masters of Business Administration

1986 – Grinnell College, Bachelor of Arts

#### Business Background

05/2015 – Present Principal, BetterWealth LLC; San Jose CA

10/2012 – 05/2015 Managing Partner, Wealth Design, LLC; Campbell, CA

11/2012 – 05/2015 RR, Comprehensive Asset Management and Servicing, Inc.; NJ

12/2001 – 10/2012 Financial Adviser, Edward Jones; Cupertino, CA

#### Examinations, Licenses and Professional Designations

09/2006 – Series 65

CFP® – Certified Financial Planner™

AIF® – Accredited Investment Fiduciary™

#### Examinations, Licenses and Professional Designations (previously held)

02/2002 – Series 7

02/2002 – Series 63

California Insurance License

#### CFP® – Certified Financial Planner™

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP marks are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its high standard of professional education, stringent code of conduct and standards of practice and ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements: Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university, pass the comprehensive CFP® Certification Examination, Complete at least three years of full-time financial planning- related experience and agree to be bound by CFP Board’s *Standards of Professional Conduct*.

Individuals who become certified must complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial industry and renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

#### AIF® – Accredited Investment Fiduciary™

The AIF Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF Designation, the individual must meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the Code of Ethics and Conduct Standards. In order to maintain the AIF Designation, the individual must annually attest to the Code of Ethics and Conduct Standards and accrue and report a minimum of six hours of continuing education. The Designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.

### Item 3 – Disciplinary Information

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W. Scott Stauffer has no disciplinary disclosures.

### Item 4 – Other Business Activities

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W. Scott Stauffer is not engaged in any outside business activity that requires disclosure.

### Item 5 – Additional Compensation

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W. Scott Stauffer has no reportable additional compensation to disclose.

### Item 6 – Supervision

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W. Scott Stauffer is a Principal of BetterWealth LLC and as such has no internal supervision placed over him. He is however bound by our firm's Code of Ethics. Mr. Stauffer can be reached at 866-659-2522 or at [scott@BetterWealth.us](mailto:scott@BetterWealth.us).

## Form ADV Part 2B - Andrew L. Howard, CFP® Principal

**March 2019**

This Brochure Supplement provides information about Andrew L. Howard, CFP® (CRD No. 4752191) that supplements the BetterWealth, LLC Brochure. You should have received a copy of that Brochure. Please contact W. Scott Stauffer, Chief Compliance Officer, at the telephone number below or [scott@BetterWealth.us](mailto:scott@BetterWealth.us) if you did not receive BetterWealth's Disclosure Brochure or if you have any questions about the content of this supplement.

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

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## Item 2 – Educational Background and Business Experience

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### Andrew L. Howard, CFP®

Born in 1979

#### Educational Background

December 2001 – C.S.U. Cal Poly San Luis Obispo, Bachelor of Arts,  
Business Administration. Finance concentration with Economics minor

#### Business Background

07/2017 – Present      Principal, BetterWealth LLC; San Jose CA  
01/2004 – 07/2017      Financial Adviser, Edward Jones; Los Gatos, CA

#### Examinations, Licenses and Professional Designations

07/2007 – Series 66 (RA)  
09/2007 – CFP® – Certified Financial Planner™

#### Examinations, Licenses and Professional Designations (Previously Held)

05/24/2004 – Series 7  
2004 – Series 63  
California Insurance License

### **CFP® – Certified Financial Planner™**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP marks are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its high standard of professional education, stringent code of conduct and standards of practice and ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements: Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university, pass the comprehensive CFP® Certification Examination, Complete at least three years of full-time financial planning- related experience and agree to be bound by CFP Board’s *Standards of Professional Conduct*.

Individuals who become certified must complete 30 hours of continuing education hours

every two years, including two hours on the Code of Ethics and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial industry and renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

**Item 3 – Disciplinary Information**

Mr. Howard has no disciplinary disclosures.

**Item 4 – Other Business Activities**

Mr. Howard is not engaged in any outside business activity that requires disclosure.

**Item 5 – Additional Compensation**

Mr. Howard has no reportable additional compensation to disclose.

**Item 6 – Supervision**

Mr. Howard is supervised by W. Scott Stauffer, Principal.

## Form ADV Part 2B - Suzanne H. Cox

### Chief Operating Officer

**March 2019**

This Brochure Supplement provides information about Suzanne H. Cox (CRD No. 2318241) that supplements the BetterWealth, LLC Brochure. You should have received a copy of that Brochure. Please contact W. Scott Stauffer, Chief Compliance Officer, at the telephone number below or [scott@BetterWealth.us](mailto:scott@BetterWealth.us) if you did not receive BetterWealth's Disclosure Brochure or if you have any questions about the content of this supplement.

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

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[www.BetterWealth.us](http://www.BetterWealth.us)

## Item 2 – Educational Background and Business Experience

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### Suzanne H. Cox

Born in 1966

#### Educational Background

1991 – University of California, Santa Cruz, Bachelor of Arts in Mathematics

#### Business Background

05/2015 – Present COO, BetterWealth LLC; San Jose CA

07/2014 – 05/2015 Director of Operations, Wealth Design, LLC; Campbell, CA

10/2012 – 07/2014 Client Service Manager, Ameriprise Financial Services, San Jose, CA

#### Examinations, Licenses and Professional Designations

12/2008 – Series 66

#### Examinations, Licenses and Professional Designations (Previously Held)

10/2008 – Series 31

03/2004 – Series 9

02/2004 – Series 10

06/1998 – Series 24

09/1996 – Series 7

09/1996 – Series 63

01/1993 – Series 2

## Item 3 – Disciplinary Information

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Mrs. Cox has no disciplinary disclosures.

## Item 4 – Other Business Activities

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Mrs. Cox has no other business activities to report.

## Item 5 – Additional Compensation

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Mrs. Cox has no reportable additional compensation to disclose.

## Item 6 – Supervision

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Mrs. Cox is supervised by W. Scott Stauffer, Principal

## Form ADV Part 2B – Jodee D. Lownsbury

### Director of Financial Planning

**March 2019**

This Brochure Supplement provides information about Jodee D. Lownsbury (CRD No. 6228330) that supplements the BetterWealth, LLC Brochure. You should have received a copy of that Brochure. Please contact W. Scott Stauffer, Chief Compliance Officer, at the telephone number below or [scott@BetterWealth.us](mailto:scott@BetterWealth.us) if you did not receive BetterWealth's Disclosure Brochure or if you have any questions about the content of this supplement.

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

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## Item 2 – Educational Background and Business Experience

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### Jodee D. Lownsbury

Born in 1990

#### Educational Background

2013 – California State University, Fresno, Bachelor of Arts in Business Administration, Finance

#### Business Background

05/2015 – Present      Director of Financial Planning, BetterWealth LLC; San Jose CA  
09/2014 – 04/2015      Financial Planning Associate, Wealth Design, LLC; Campbell, CA  
07/2013 – 08/2014      Client Associate, D.A. Davidson & Co; Fresno, CA  
09/2008 – 06/2013      Student, California State University, Fresno; Fresno, CA

#### Examinations, Licenses and Professional Designations

11/2017 – CFP® – Certified Financial Planner™

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP marks are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its high standard of professional education, stringent code of conduct and standards of practice and ethical requirements that govern professional engagements with clients.

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Individuals who become certified must complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial industry and renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

#### Examinations, Licenses and Professional Designations (Previously Held)

Mrs. Lownsbury has no previously held examinations, licenses, professional designations.



### **Item 3 – Disciplinary Information**

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Mrs. Lownsbury has no disciplinary disclosures.

### **Item 4 – Other Business Activities**

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Mrs. Lownsbury has no other business activities to report.

### **Item 5 – Additional Compensation**

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Mrs. Lownsbury has no reportable additional compensation to disclose.

### **Item 6 – Supervision**

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Mrs. Lownsbury is supervised by W. Scott Stauffer, Principal