

# Weiss Financial Group LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Weiss Financial Group LLC. If you have any questions about the contents of this brochure, please contact us at (845) 621-4700 or by email at: [kweiss@weissadvisory.com](mailto:kweiss@weissadvisory.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 Weiss Financial Group LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Weiss Financial Group LLC's CRD number is: 159331*

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*Registration does not imply a certain level of skill or training.*

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## Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Weiss Financial Group LLC on 02/16/2021 are described below. Material changes relate to Weiss Financial Group LLC's policies, practices or conflicts of interests.

- WFG has updated fees and compensation to include pension consulting (Item 4, Item 5).
- WFG has updated the custodian to include John Hancock Trust Company LLC (Item 12).

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Weiss Financial Group LLC is a Limited Liability Company organized in the state of New York. This firm has been in business since October of 2011, and the principal owners are Keith D. Weiss and Scott G. Weiss.

### B. Types of Advisory Services

Weiss Financial Group LLC (hereinafter "WFG") offers the following services to advisory clients:

#### *Investment Supervisory Services*

WFG offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. WFG creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

WFG evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. WFG will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on hourly and fixed fees. The final fee structure is documented in Exhibit II of the Financial Planning Agreement.

#### *Services Limited to Specific Types of Investments*

WFG generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities, private placements, and government securities. WFG may use other securities as

well to help diversify a portfolio when applicable. WFG may use options as a protective investment strategy when appropriate.

### ***Consulting Services***

WFG offers consulting services to clients based on the client's needs at a rate of \$150 to \$350 per hour.

### ***Selection of Other Advisers***

WFG may direct clients to third-party investment advisers. Before selecting other advisers for clients, WFG will always ensure those other advisers are properly licensed or registered as investment adviser. Currently, WFG may direct clients to Betterment, LLC.

We provide portfolio management services through Institutional Intelligent Portfolios™, an automated, online investment management platform for use by independent investment advisors and sponsored by Schwab Wealth Investment Advisory, Inc. (the "Program" and "SWIA," respectively). Through the Program, we offer clients a range of investment strategies we have constructed and manage, each consisting of a portfolio of exchange traded funds ("ETFs") and a cash allocation. The client may instruct us to exclude up to three ETFs from their portfolio. The client's portfolio is held in a brokerage account opened by the client at SWIA's affiliate, Charles Schwab & Co., Inc. ("CS&Co"). We are independent of and not owned by, affiliated with, or sponsored or supervised by SWIA, CS&Co or their affiliates (together, "Schwab"). The Program is described in the Schwab Wealth Investment Advisory, Inc. Institutional Intelligent Portfolios™ Disclosure Brochure (the "Program Disclosure Brochure"), which is delivered to clients by SWIA during the online enrollment process. We, and not Schwab, are the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. SWIA's role is limited to delivering the Program Disclosure Brochure to clients and administering the Program so that it operates as described in the Program Disclosure Brochure. We have contracted with SWIA to provide us with the technology platform and related trading and account management services for the Program. This platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that helps us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that we will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but we then make the final decision and select a portfolio based on all the information we have about the client. The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects). We do not receive a portion of a wrap fee for our services to clients through the Program. Clients do not pay fees to SWIA in connection with the Program, [but we charge clients a fee for our services as described below under Item 5 Fees and Compensation. Our fees are not set or supervised by Schwab.]

Clients do not pay brokerage commissions or any other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. We do not pay SWIA fees for its services in the Program so long as we maintain \$100 million in client assets in accounts at CS&Co that are not enrolled in the Program. If we do not meet this condition, then we pay SWIA an annual fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

### ***Pension Consulting Services***

WFG offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants. The plans offered are listed here and described below in Item 5; Simple IRA & Simple 401k, 401k, SEP-IRA, Solo 401k, and Defined Benefit Plans.

## **C. Client Tailored Services and Client Imposed Restrictions**

WFG offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent WFG from properly servicing the client account, or if the restrictions would require WFG to deviate from its standard suite of services, WFG reserves the right to end the relationship.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. WFG does not participate in any wrap fee programs.



## E. Amounts Under Management

WFG has the following assets under management as of 12/31/2019:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$73,324,927.00	\$0.00	December 2020

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
\$1 - \$999,999	1.50%
\$1,000,000 - \$1,499,999	1.25%
\$1,500,000 - \$2,999,999	1.00%
\$3,000,000 and Above	0.85%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in arrears, and clients may terminate their contracts with written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization. If a client uses WFG for financial planning they may receive a discount on the investment service fees.

#### Investment Programs for Company Retirement Plans Only

One-time Investment Selection Assistance starts at \$1,500. This fee is based on account type and value and is non-negotiable.

One-time Investment Implementation Help is \$250 per session. This is for the use of after investment selection and is non-negotiable.

One-time Portfolio Rebalancing starts at \$1,500. This is for the use of after investment selection and based on account type and value.

## ***Financial Planning Fees***

### ***Fixed Fees***

Retirement Plan service start at \$3,000 and includes 2-3 meetings for plan development, secure client website access, email summaries with action plans along with a printed and electronic PDF of final plan. Discounted 50% if also continuous Investment Supervisory Service.

Continuous Planning Service start at \$500 and include plan implantation assistance, plan monitoring, annual review, client website access, check ins and email support. This service is only available to clients who completed the retirement plan above.

Annual Plan Review starts at \$3,000 if review is within 18 months of initial plan delivery or previous review. \$4,000 if review is ore than 18 months after initial plan delivery or previous review.

### ***Selection of Other Advisers Fees***

Betterment

<b>Total Assets Under Management</b>	<b>WFG's Fee</b>	<b>Betterment's Fee</b>	<b>Total Fee</b>
\$1 - \$999,999	1.25%	0.20%	1.5%
\$1,000,000 - \$1,499,999	1.00%	0.20%	1.25%
\$1,500,000 - \$2,999,999	0.75%	0.20%	1.00%
\$3,000,000 and Above	0.60%	0.20%	0.85%

PIMCO

<b>Total Assets Under Management</b>	<b>WFG's Fee</b>	<b>PIMCO's Fee</b>	<b>Total Fee</b>
\$1,000,000 and up	0.25%	0.15%	0.40%

WFG's fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization. If a client uses WFG for financial planning they may receive a discount on the investment service fees.

Managed Account Fees for Laddered bond Portfolio Strategy. These fees are negotiable depending upon the needs of the client and complexity of the situation. Fees are paid monthly in arrears to WFG based on the monthly average daily account balance calculated at the close of the market on the last day of the month. Fees are paid quarterly in arrears to PIMCO based on the quarterly average daily account balance calculated at the close of the market on the last day

of the quarter. The data is provided by the custodian (Charles Schwab) and the fee calculations are made by Portfolio Services (an affiliated company of Charles Schwab). Clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

***Pension Consulting Services Fees***

The rates for 401k, Simple IRA& Simple 401k plans are described in the fee schedule below:

Total Assets Under Management	Annual Fee
\$1 - \$299,999	\$3,000
\$300,000 - \$2,999,999	\$5,000
\$3,000,000 and Above	\$7000

The rates for Defined Benefit Plans are described below:

Total Assets Under Management	Annual Fee
\$1 - \$299,999	\$3,000
\$300,000 - \$999,999	1.00%
\$1,000,000 - \$2,999,999	0.85%
\$3,000,000 and Above	0.70%

These fees are negotiable and the final fees will be attached to the pension consulting contract.

**B. Payment of Fees**

***Payment of Investment Supervisory Fees***

Unless requested otherwise advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly in arrears.

***Payment of Financial Planning Fees***

Fixed fees are paid by check, credit card in arrears and in advance, although never more than six months in advance. Fees paid in advance will be refunded based on the prorated amount of work completed at the point of termination

### ***Payment of Selection of Other Advisers Fees***

Fees for selection of Betterment as third-party adviser are withdrawn by Betterment directly from client accounts. WFG then receives its fee from Betterment Securities as the custodian of the client account; WFG does not directly deduct the advisory fees.

Fees for selection of PIMCO as a third-party adviser are withdrawn by the custodian and will pay the third party and WFG. Fees are paid wither monthly or quarterly as agreed upon the client and WFG. Fees are paid in arrears.

### ***Payment of Pension Consulting Services Fees***

Pension consulting fees are withdrawn directly from the client's accounts with client's written authorization or may be invoiced and billed directly to the client and clients may select the method in which they are billed. Fees are paid monthly in arrears.

Fixed pension consulting fees are paid via check. Fees are paid monthly in arrears.

## **C. Clients Are Responsible For Third Party Fees**

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

As described in Item 4 Advisory Business, clients do not pay fees to SWIA or brokerage commissions or other fees to CS&Co as part of the Program. Schwab does receive other revenues in connection with the Program, as described in the Program Disclosure Brochure. Brokerage arrangements are further described below in Item 12 Brokerage Practices.

## **D. Prepayment of Fees**

WFG collects its fees in arrears and advance. Refunded fees will be returned within fourteen days by check mailed to the client.

## **E. Outside Compensation For the Sale of Securities to Clients**

Neither WFG nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

WFG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

WFG generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

### *Minimum Account Size*

There is no account minimum, however our services are best suited for clients with \$250k or more in invest-able assets.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

WFG's methods of analysis include charting analysis, fundamental analysis, and technical analysis.

**Charting analysis** involves the use of patterns in performance charts. WFG uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

#### *Investment Strategies*

WFG uses long term trading, short term trading strategies and options writing (including covered options).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### ***Methods of Analysis***

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

### ***Investment Strategies***

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

WFG generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Private placements** carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability and inflation.

**Options** have risks which include selling an equity position at a lower than market price if a covered call has been written. Buying options have the risk of the option expiring worthless if the security does not appreciate or depreciate within the time of the option expiration beyond the strike price of the option.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## Item 9: Disciplinary Information

### A. Criminal or Civil Actions

There are no criminal or civil actions to report.

### B. Administrative Proceedings

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither WFG nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither WFG nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Scott G. Weiss is a licensed insurance agent. However, Scott is not currently appointed with any insurance agency or company and does not collect any commissions on the sale of insurance products.

WFG provides complementary tax service to some of its clients through its affiliate, Weiss Advisory Group. The service is only provided on a complementary basis to clients who had a pre-existing relationship with firm's owners prior to the formation of the firm and who have a threshold amount of assets under management with the firm.

### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

WFG may direct clients to third-party investment advisers. WFG charges a fee to its clients as described in Item 5 separate from the fee charged by the third-party adviser. The total fees will not exceed any limit imposed by any regulatory agency. WFG will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. WFG will ensure that all recommended advisers are licensed or notice filed in the states in which WFG is recommending them to clients.



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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

WFG does not recommend that clients buy or sell any security in which a related person to WFG or WFG has a material financial interest.

### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of WFG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of WFG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. WFG will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of WFG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of WFG to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. WFG will always transact client's transactions before its own when similar securities are being bought or sold.

## Item 12: Brokerage Practices

### A. Factors Used to Select Custodians and/or Broker/Dealers

We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Capability to execute, clear, and settle trades (buy and sell securities for your account) itself or to facilitate such services.
- Capability to facilitate timely transfers and payments to and from accounts.
- Availability of investment research and tools that assist us in making investment decisions.
- Quality of services.
- Competitiveness of the price of those services and willingness to negotiate the prices.
- Reputation, financial strength, and stability.
- Prior service to us and our other clients.

We recommend Schwab Institutional and MTG, LLC dba Betterment Securities (“Betterment Securities”) and John Hancock Trust Company LLC as custodians to our clients. Schwab Institutional, a division of Charles Schwab & Co., Inc., was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. WFG will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

For our clients’ accounts that Betterment Securities maintains, Betterment Securities generally does not charge you separately for custody services, but is compensated as part of the Betterment Institutional (defined below) platform fee, which is a percentage of the dollar amount of assets in the account in lieu of commissions. We have determined that having Betterment Securities execute trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

In addition to our portfolio management and other services, the Program includes the brokerage services of CS&Co, a broker-dealer registered with the Securities and Exchange Commission and a member of FINRA and SIPC. While clients are required to use CS&Co as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co by entering into an account agreement directly with CS&Co. We do not open the account for the client. If the client does not wish to place his or her assets with CS&Co, then we cannot manage the client’s account through the Program. As described in the Program Disclosure Brochure, SWIA may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for our clients and accounts for clients of other independent investment advisory firms using the Program.

## ***1. Research and Other Soft-Dollar Benefits***

WFG receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions (“soft dollar benefits”). There is no minimum client number or dollar number that WFG must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for WFG to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients’ interests. The first consideration when recommending broker/dealers to clients is best execution. WFG always acts in the best interest of the client.

Betterment Securities serves as broker dealer to Betterment Institutional, an investment and advice platform serving independent investment advisory firms like us (“Betterment Institutional”). Betterment Institutional also makes available various support services which may not be available to Betterment’s retail customers. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Betterment Institutional’s support services are generally available on an unsolicited basis (we don’t have to request them) and at no charge to us. Following is a more detailed description of Betterment Institutional’s support services:

**SERVICES THAT BENEFIT YOU.** Betterment Institutional includes access to a range of investment products, execution of securities transactions, and custody of client assets through Betterment Securities. Betterment Securities’ services described in this paragraph generally benefit you and your account.

**SERVICES THAT MAY NOT DIRECTLY BENEFIT YOU.** Betterment Institutional also makes available to us other products and services that benefit us, but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts, such as software and technology that may:

- Assist with back-office functions, recordkeeping, and client reporting of our clients’ accounts.
- Provide access to client account data (such as duplicate trade confirmations and account statements).
- Provide pricing and other market data.
- Assist with back-office functions, recordkeeping, and client reporting.

**SERVICES THAT GENERALLY BENEFIT ONLY US.** By using Betterment Institutional, we will be offered other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events.
- Consulting on technology, compliance, legal, and business needs.
- Publications and conferences on practice management and business succession.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. Through Schwab Advisor Services, CS&Co provides us and our clients, both those enrolled in the Program and our clients not enrolled in the Program, with access to its institutional brokerage services – trading,

custody, reporting and related services – many of which are not typically available to CS&Co retail customers. CS&Co also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. CS&Co's support services described below are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability to us of CS&Co's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients. Here is a more detailed description of CS&Co's support services: CS&Co's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. CS&Co's services described in this paragraph generally benefit the client and the client's account. CS&Co also makes available to us other products and services that benefit us but may not directly benefit the client or its account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at CS&Co. In addition to investment research, CS&Co also makes available software and other technology that: x provide access to client account data (such as duplicate trade confirmations and account statements); x facilitate trade execution and allocate aggregated trade orders for multiple client accounts; x provide pricing and other market data; x facilitate payment of our fees from our clients' accounts; and x assist with back-office functions, recordkeeping and client reporting. CS&Co also offers other services intended to help us manage and further develop our business enterprise. These services include: x educational conferences and events x technology, compliance, legal, and business consulting; x publications and conferences on practice management and business succession; and x access to employee benefits providers, human capital consultants and insurance providers. CS&Co may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. CS&Co may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. CS&Co may also provide us with other benefits such as occasional business entertainment of our personnel.

The availability of services from CS&Co benefits us because we do not have to produce or purchase them. We don't have to pay for these services, and they are not contingent upon us committing any specific amount of business to CS&Co in trading commissions or assets in custody. With respect to the Program, as described above under Item 4 Advisory Business, we do not pay SWIA fees for its services in connection with the Program so long as we maintain \$100 Million in client assets in accounts at CS&Co that are not enrolled in the Program. In light of our arrangements with Schwab, we may have an incentive to [recommend/require] that our clients maintain their accounts with CS&Co based on our interest in receiving Schwab's services that benefit our business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. We believe, however, that our selection of CS&Co as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of CS&Co's services and not Schwab's

services that benefit only us. [We have adopted policies and procedures designed to ensure that our use of Schwab's services is appropriate for each of our clients.]

## **2. *Brokerage for Client Referrals***

WFG receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

WFG will not allow clients to direct WFG to use a specific broker-dealer to execute transactions. Clients must use WFG recommended custodians (broker-dealers).

### **B. *Aggregating (Block) Trading for Multiple Client Accounts***

WFG maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing WFG the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

### **A. *Frequency and Nature of Periodic Reviews and Who Makes Those Reviews***

Client accounts are reviewed on an on-going-as-needed basis by Keith D. Weiss or Scott G. Weiss. The chief advisors are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at WFG are assigned to these reviewers.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Keith D. Weiss or Scott G. Weiss. There is only one level of review and that is the total review conducted to create the financial plan.

### **B. *Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least monthly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian. WFG will also provide quarterly investment progress reports independent of Schwab.

Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

WFG receive a non-economic benefit from Betterment Institutional and Betterment Securities in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Betterment Securities. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Betterment Institutional and Betterment Securities' products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us. These products and services, how they benefit us, and the related conflicts of interest are described above under Item 12 Brokerage Practices. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

WFG does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, WFG will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy. Clients will also receive statements from WFG and are urged to compare the account statements they received from custodian with those they received from WFG.

## **Item 16: Investment Discretion**

For those client accounts where WFG provides ongoing supervision, the client has given WFG written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides WFG discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

## **Item 17: Voting Client Securities (Proxy Voting)**

WFG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

As described in the Program Disclosure Brochure, clients enrolled in the Program designate SWIA to vote proxies for the ETFs held in their accounts. We have directed SWIA to process proxy votes and corporate actions through and in accordance with the policies and recommendations of a third party proxy voting service provider retained by SWIA for this purpose. Additional information about this arrangement is available in the Program Disclosure Brochure. Clients who do not wish to designate SWIA to vote proxies [may designate us to vote proxies or] may retain the ability to vote proxies themselves by signing a special CS&Co form available from us.

## **Item 18: Financial Information**

### **A. Balance Sheet**

WFG does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither WFG nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

WFG has not been the subject of a bankruptcy petition in the last ten years.

## **Additional Information**

WFG may hold seminars on various topics in the future. WFG may allow some issuers of securities to sponsor a portion of the expenses of the seminar. WFG will not place assets of clients in an issuer's securities because of their sponsorship of a seminar event. WFG will act in a fiduciary capacity as a registered investment adviser and place a client's assets in appropriate investments as determined by a financial plan or client investment policy statement.