

# **United Wealth Management, LLC**

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## **FORM ADV PART 2A BROCHURE**

**This brochure provides information about the qualifications and business practices of United Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 434-923-8112. 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 United Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for United Wealth Management, LLC is 133986.**

**United Wealth Management is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## **Item 2 Summary of Material Changes**

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated March 9, 2020 we have the following material changes to report.

The firm is up transitioning to the Securities and Exchange Commission.

### Item 3 Table Of Contents

|  |    |
|--|----|
| Item 2 Summary of Material Changes .....   | 2  |
| Item 3 Table Of Contents .....   | 3  |
| Item 4 Advisory Business .....   | 4  |
| Item 5 Fees and Compensation .....   | 5  |
| Item 6 Performance-Based Fees and Side-By-Side Management .....                                  | 8  |
| Item 7 Types of Clients .....  | 8  |
| Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....                         | 8  |
| Item 9 Disciplinary Information .....  | 9  |
| Item 10 Other Financial Industry Activities and Affiliations .....                               | 9  |
| Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading... | 10 |
| Item 12 Brokerage Practices .....  | 10 |
| Item 13 Review of Accounts .....   | 13 |
| Item 14 Client Referrals and Other Compensation .....  | 13 |
| Item 15 Custody .....  | 13 |
| Item 16 Investment Discretion .....  | 14 |
| Item 17 Voting Client Securities .....   | 14 |
| Item 18 Financial Information .....  | 15 |
| Item 19 Requirements for State Registered Advisers .....   | 15 |
| Item 20 Additional Information .....   | 15 |

## Item 4 Advisory Business

### **Description of Services and Fees (Item 4A)**

We are a registered investment adviser based in Charlottesville, Virginia . We are organized as a limited liability company under the laws of the State of Virginia and we have been providing investment advisory services since 2005. Alan Bewley is our Managing Member and Owner.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to United Wealth Management and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm, LLC. Also, you may see the term Associated Person or Investment Adviser Representative throughout this brochure. As used in this brochure, our Associated Persons or Investment Adviser Representatives are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### **Investment Advisory Services (Item 4B and 4C)**

Our investment advisory services are made available to individual clients, trusts, estates, charitable organizations, corporations, and to Plan Participants in United Airlines Pilot Retirement Account Plan.

### **Discretionary Asset Allocation Services**

We offer discretionary, non-continuous asset allocation services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for asset allocation services, we will confer with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to make investments on your behalf. As part of our asset allocation services, we will ordinarily invest your assets based on your risk tolerance and investment objectives in one or more model portfolios developed by our firm. Otherwise, we will customize an investment portfolio for you in accordance with your risk tolerance and investment objectives. Once we construct an investment portfolio for you, or select a model portfolio, we will review your portfolio's performance on an annual basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our asset allocation services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your prior approval. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

### **Financial Planning Services**

We offer broad-based financial planning services. Financial planning will typically involve providing a variety of advisory services to you regarding the management of your financial resources based upon an analysis of your individual needs. If you retain our firm for financial planning services, we will confer with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives. Our financial planning services may include, but are not limited to, retirement planning, estate planning, and risk management.

Financial plans are based on your financial situation at the time we prepare the plan and on the

financial information you provide. You must promptly notify us if your financial situation, goals, objectives, or needs change.

You have the right to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

#### **Types of Investments (Item 4B)**

We primarily recommend mutual funds, including no-load funds, and exchange traded funds; however we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

#### **Assets Under Management (Item 4E)**

We do not manage assets on a continuous basis; therefore, we do not have any discretionary or non-discretionary assets under management. We manage \$137,270,441 in client assets on a non-continuous basis.

## **Item 5 Fees and Compensation**

#### **Investment Advisory Fees (Item 5A, 5B and 5D)**

##### **Asset Allocation Services**

We charge an annual fee based on the fee schedule stated below:

| <b>Account Value</b>     | <b>Annual Fee</b> |
|--------------------------|-------------------|
| 0 to \$600,000           | 1.00%             |
| \$600,000 to \$1,600,000 | 0.75%             |
| \$1,600,000 and above    | 0.50%             |

Our annual fee is billed and payable quarterly in advance based on the value of your account on the last business day of the previous quarter. If the client agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, the period covered by the fee and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

Either you or our firm may terminate the client agreement within five days of the date of acceptance without penalty. After the five-day period, either party may terminate the agreement upon 30-days' written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

### **Financial Planning Services**

We charge a non-negotiable fixed fee of either \$2,500 or a reduced non-negotiable fee of \$1,000 (in the event clients elect to participate to a greater degree in the information gathering process) for an initial financial plan (in addition to the fee for asset allocation). For clients that only receive financial planning services, we charge a non-negotiable fee of \$250 per hour for reviews/updates to the plan. Reviews/updates to the initial financial plan are performed 15 years from retirement, again at 10 years from retirement, and annually thereafter or upon occurrence of a major life event made known to our firm by clients.

Financial planning fees are due and payable upon completion of services rendered.

Either you or our firm may terminate the client agreement within five days of the date of acceptance without penalty. After the five-day period, either party may terminate the agreement upon 30-days' written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the agreement. Refunds are not applicable since fees are paid upon completion of services rendered.

### **Additional Fees and Expenses (Item 5C)**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. Whether you withdraw the assets from your employer's retirement plan and roll them into an IRA, or leave them where they are, the fee you pay to our firm for asset allocation services will remain the same. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by

our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  1. Employer retirement plans generally have a more limited investment menu than IRAs.
  2. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  1. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  2. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  1. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

## **Compensation for the Sale of Securities and Other Investment Products (Item 5E)**

Persons providing investment advice on behalf of our firm do not receive commission compensation for the sale of securities or other investment products.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, participants in 401(k) plans, trusts, estates, charitable organizations, corporations, and other business entities.

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

### **Our Methods of Analysis and Investment Strategies (Item 8A and 8B)**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- **Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- **Long Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO ("First In First Out") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting



method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

#### **Risk of Loss (Item 8A)**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

#### **Recommendation of Particular Types of Securities (Item 8C)**

We primarily recommend mutual funds, including no-load funds, and exchange traded funds; however we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives.

Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and exchange traded funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. During time of extreme market volatility ETF pricing may lag vs the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day) however there is no guarantee this relationship will always occur. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns.

## **Item 9 Disciplinary Information**

#### **Disciplinary Information (Item 9A, 9B and 9C)**

United Wealth Management has been registered and providing investment advisory services since 2005. Neither our firm nor any of our associated persons has any reportable disciplinary information.

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

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end

- investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
  4. futures commission merchant, commodity pool operator, or commodity trading advisor
  5. banking or thrift institution
  6. accountant or accounting firm
  7. lawyer or law firm
  8. insurance company or agency
  9. pension consultant
  10. real estate broker or dealer
  11. sponsor or syndicator of limited partnerships

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

### **Description of Our Code of Ethics (Item 11A)**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Alan Bewley, Managing Member at 434-923-8112.

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

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

## **Item 12 Brokerage Practices**

### **Brokerage Recommendation (Item 12A)**

We recommend that clients in need of brokerage and custodial services utilize Charles Schwab & Co., Inc. (Schwab), registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we may require that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we and certain Separate Account Managers, can still use other brokers to execute trades for your account as described below (see "*Your Brokerage and Custody Costs*").

## **Your Brokerage and Custody Costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10,000,000 of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We do not engage in trade away transactions and we have determined that having Schwab execute most 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.

## **Products and Services Available to Us From Schwab (Item 12A(1))**

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us with certain benefits which may be considered soft dollars benefits not predicated on any level of commissions as discussed below. Schwab Advisor Services provides us and our clients with access to its institutional brokerage - trading, custody, reporting, and related services - many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

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

**Services That May Not Directly Benefit You.** Schwab 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. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

Schwab also offers other services intended to help us manage and further develop our business

enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for an affiliate or third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of an affiliate's or third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us. We do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

As a fiduciary, we endeavor to act in the best interests of our clients. However, our recommendation that you maintain your assets in accounts at Schwab may be based in part on benefits provided to us by the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab to us, which creates a conflict of interest. We mitigate this conflict by conducting a periodic review of the services and products provided by Schwab and by utilizing the products and services to benefit all of our asset allocation clients.

We believe that Schwab provides quality services at competitive rates. The reasonableness of commission rates is based on several factors, including the broker's ability to provide professional services, execution, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in transactions. Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered.

### **Brokerage for Client Referrals (Item 12A(2))**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage (Item 12A(3))**

In limited circumstances, at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will

obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades (Item 12B)**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Item 13 Review of Accounts**

### **Asset Allocation Services (Item 13A,13B, and 13C)**

Alan Bewley, Managing Member or Daniel Lohmar, Investment Adviser Representatives of our firm, will review your account at least annually to ensure the advisory services provided to you and that the portfolio mix are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide you with regular quarterly performance reports which are discussed in conjunction with account reviews. You will receive trade confirmations, monthly or quarterly statements, and year-end tax statement from your account custodian(s).

### **Financial Planning Services (Item 13A,13B, and 13C)**

Alan Bewley, Managing Member or Daniel Lohmar, Investment Adviser Representatives, will review financial plans as follows to ensure that the planning advice and/or asset allocation recommendations made to you are consistent with your stated investment needs and objectives: Reviews/updates to the initial financial plan are performed 15 years from retirement, again at 10 years from retirement, and annually thereafter or upon occurrence of a major life event made known to our firm by clients. Major life events may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others. Where warranted, we will provide you with updates to the financial plan in conjunction with the review. Reviews and updates will be subject to our hourly rate of \$250 for clients who only receive financial planning services.

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

### **Client Referrals (Item 14B)**

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

### **Other Compensation (Item 14A)**

Please refer to the "Brokerage Practices" section above for disclosures on research and other benefits we may receive resulting from our relationship with Schwab.

## Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide invoices to you reflecting the amount of advisory fee deducted from your account.

As discussed in Item 5 - Fees and Compensation we will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, the period covered by the fee and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

You should compare our invoices with the statements from your account custodian(s) to reconcile the information reflected on each. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Alan Bewley, Managing Member at 434-923-8112.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and/or trading authorization forms. You must grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

## Item 17 Voting Client Securities

### Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to

you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## **Item 18 Financial Information**

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$500 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

## **Item 19 Requirements for State Registered Advisers**

Neither our firm, nor any of our Associated Persons are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our Associated Persons have any reportable arbitration claims, civil, self-regulatory organization proceeding or administrative proceeding.

Neither our firm, nor any of our Associated Persons have a material relationship or arrangement with any issuer of securities.

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.

### **State of Kansas Required Disclosures**

As of the date of this Disclosure Brochure, our firm carries professional liability insurance coverage for its investment advisory services. Upon request, we will deliver a copy of the insurance agreement in effect within 30 days of such client request.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with

our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

From time-to-time we may make an error in submitting a trade order on a client's behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of the client's account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the client to retain the gain, or we confer with the client and the client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client's account and Schwab is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, we will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in a client's account, they may be netted.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.