

**Item 1: Cover Page for Part 2A of Form ADV: Firm Brochure**



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This brochure provides information about the qualifications and business practices of Leap Wealth Management, LLC ("Leap Wealth Management"). If you have any questions about the contents of this brochure, please contact by telephone at (214) 420-7441 or email at [cleap@leapwealth.com](mailto:cleap@leapwealth.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 Leap Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Leap Wealth Management and or our associates as "registered" does not imply a certain level of skill or training.

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## **Item 2: Material Changes**

Leap Wealth Management is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure.

Since our previous annual amendment on March 31, 2020, Leap Wealth Management applied for and received a Paycheck Protection Program loan. These loans are designed to provide economic relief to small businesses that have been adversely impacted by Covid-19 (please refer to Item 18 for more information). Finally, as part of the filing for this annual amendment, we registered to begin state notice filings in Florida. As there have been other non-material changes, we encourage you to read this brochure in its entirety.

**Item 3: Table of Contents**

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## Item 4: Advisory Business

A. Our advisory business and our principal owner(s).

Leap Wealth Management has been in business since 2010 and is wholly owned by Christopher Allen Leap and Trey Taylor. Our firm is a limited liability company formed in the State of Texas. We provide investment management services to individuals and other types of clients.

B. Description of the advisory services we offer.

(i) Investment Management – Wrap Fee Program:

Leap Wealth Management provides investment management services through the Leap Wealth Management wrap fee program. Please refer to the Leap Wealth Management ADV Part 2 Wrap Fee Brochure Appendix 1 for a complete description of services.

(ii) Financial Consulting:

Financial consulting services include one or more of the following subjects: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, and Business and Personal Financial Planning.

(ii) Retirement Planning:

Leap Wealth Management provides retirement planning services to employer plan sponsors. Retirement planning services involve assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan(s).

(iii) ERISA Fiduciary

Leap Wealth Management understands and attests that they may at times serve as investment adviser to an ERISA fiduciary as defined in the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1986.

Leap Wealth Management may act as a discretionary investment manager of any Plan as defined in Section 3(38) of the Employee Retirement Income Security Act of 1974.

And

Leap Wealth Management may act as a non-discretionary investment manager of any Plan as defined in Section 3(21) of the Employee Retirement Income Security Act of 1974.

(iv) Third Party Money Manager Services:

Leap Wealth Management may assist clients in identifying a third-party money manager. We provide due diligence on third party money managers and ongoing reviews of their management of your account.

In selecting third party money managers, we gather information from each client about their financial situation, investment objectives, and reasonable restrictions they might impose on

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the management of the account. Leap Wealth Management does not offer advice on individual securities or other investments in connection with the Third-Party Money Manager services.

v. Actively Managed Investment Portfolios

Additionally, we offer access to an actively managed investment portfolio of independent investment managers and or investment programs (collectively “Independent Managers”). For all programs, Leap Wealth Management and its clients compile pertinent financial and demographic information to develop an investment program that will meet clients’ goals and objectives. Utilizing the platform tools, clients’ assets will be allocated among the different options in the program and determine the suitability of the asset allocation and investment options for each client, based on the clients’ needs and objectives, investment time horizon, risk tolerance and any other pertinent factors. Unlike a mutual fund, where the funds are commingled, a separately managed account is a portfolio of individually owned securities that can be tailored to fit the client’s investing preferences. For clients selecting Independent Managers, each client authorizes us to hire and delegate the active discretionary management of all or part of the assets to one or more Independent Managers based upon your stated investment objectives without prior consultation with you and without your prior consent. The Independent Managers will have limited power-of- attorney and trading authority over those Assets we direct to them for management. They will be authorized to buy, sell and trade in accordance with your investment needs and to give instructions, related to their authority, to the broker-dealer and the custodian of your Assets. Such Independent Managers shall have authority to further delegate such discretionary investment authority to additional Investment Managers on terms and conditions deemed appropriate.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

(i) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing our Asset Management service. Additionally, we offer general investment advice to clients utilizing our Financial Planning and Consulting services.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

We usually allow clients to impose restrictions on investing in certain securities or types of securities.

A. Disclosure of Regulatory Assets Under Management.

We managed approximately \$ 171,500,000 on a discretionary basis and \$3,000,000 on a non-discretionary basis as of December 31, 2020.

## **Item 5: Fees & Compensation**

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally not negotiable.

A. Description of how we are compensated for our advisory services provided to you.

(i) Asset Management:

We provide asset management services through the Leap Wealth Management wrap fee program. Please refer to the Leap Wealth Management ADV Part 2 Wrap Fee Brochure Appendix 1 for a complete description of fees.

(ii) Financial Planning and Consulting:

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you.

B. Description of whether we deduct fees from clients' assets or bill clients for fees incurred.

(i) Asset Management:

We provide asset management services through the Leap Wealth Management wrap fee program. Please refer to the Leap Wealth Management ADV Part 2 Wrap Fee Brochure Appendix 1 for a complete description of fees.

(ii) Referrals to Third Party Money Managers

Third party money managers pay us a portion of the investment advisory fee that they charge you for managing your account on an ongoing basis. All fees we receive from third party money managers and the written separate disclosures made to you regarding these fees comply with applicable state statutes and rules. The separate written disclosures you need to be provided include: a copy of the third-party money manager's Form ADV Part 2, all relevant Brochures, a solicitation disclosure statement detailing the fees we are paid if a tri-party agreement is not in place and finally a copy of the third-party money manager's privacy policy. The third-party money managers we recommend will not charge you a higher fee than they would have charged without our introduction. It is also important to note that the manager may charge on a performance basis. The terms of which will be outlined in a separate agreement.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Non-Wrap fee Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our separate Wrap Fee Program Brochure.

D. Client’s advisory fees are due quarterly in arrears.

Although we charge our advisory fees quarterly in arrears, some third-party money managers bill quarterly in arrears or advance. We break down our clients into 3 groups. Clients with last names of A-G, H-O, P-Z. We bill quarterly for each group. A-G is billed in arrears at the end of month 1 (January), and every three months (quarter) thereafter. We bill H-O at the end of month 2 (February) and every three months thereafter. The last group P-Z is billed at the end of March and every three months thereafter. Management fees are calculated using the month end value to calculate the fee.

Please refer to the ADV Part 2 of the third-party money manager for a full description of fees. If you wish to terminate our services, you need to contact us in writing and state that you wish to cancel this Agreement. Upon receipt of your letter of termination, we will proceed to close out your account and charge you a pro-rata advisory fee(s) for services rendered up to the point of termination.

E. Commissionable securities sales.

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.

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

We do not charge performance fees to our clients, however, as noted above, some of the third-party money managers we recommend may charge performance fees.

### **Item 7: Types of Clients & Account Requirements**

We have the following types of clients:

- Individuals; and
- High Net Worth Individuals.

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We generally charge a minimum fee of \$1,000 for written financial plans,
- We do have a minimum account value requirement to become an advisory client.

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

### **Methods of Analysis**

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We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting:** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

**Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis:** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis:** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Third-Party Money Manager Analysis:** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks. A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

**Risks for All Forms of Analysis:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **Investment Strategies**

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We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

**Long-Term Purchases:** When utilizing this strategy, we may purchase securities with the idea of holding them for a relatively long time (typically held for at least a year). A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell. Typically, we employ this sub-strategy when we believe the securities to be well valued; and/or we want exposure to a particular asset class over time, regardless of the current projection for this class.

**Short-Term Purchases:** When utilizing this strategy, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Short Sales:** We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

**Margin Transactions:** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

**Option Writing:** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset. The two types of options are calls and puts. A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires. A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio. We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

## **Risk of Loss**

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

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

**Cryptocurrency ETFs:** Cryptocurrencies are relatively new and as such, there are some additional risks to investing in the currencies that clients investing in other types of ETFs might not incur. First, there is the risk that the broker-dealer, money manager, or custodian holding the ETF assets may suffer a cybersecurity event and lose the private key necessary to transfer these digital assets. If this happens, the owner of the cryptocurrency will lose the ability to access or trade the cryptocurrencies, essentially, they will be likely be lost forever. Second, while many ETFs are valued based on the value of assets held minus operating expenses, cryptocurrency ETFs are trading at a premium in excess of the actual value of the plan assets. Third, due to the relatively new nature of cryptocurrencies, broker-dealers, custodians, and asset managers may not have policies and procedures in place to adequately protect clients from the risks involved with cryptocurrencies. Fourth, cryptocurrencies are relatively new currencies and are not currently subject to the degree of regulation as regular securities. As a result, many people use cryptocurrency for illegal activities. In addition, there are a large number of cryptocurrencies being issued, many of them not SEC registered as securities. In addition, there are many scams that maraud as cryptocurrencies. Eventually, cryptocurrencies will be regulated, which will likely decrease the volatility and also the attraction of cryptocurrencies.

**Force Majeure Events Risk:** This is the risk that there may be an act of God, terrorist act, global health pandemic, failure of utilities or other similar circumstance not within the reasonable control of the Program that may have an unknown and potentially catastrophic effect on the global markets.

#### **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

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

Some of our firm's representatives are licensed insurance agents. They offer insurance products and receive normal and customary fees as a result of insurance sales. compensation earned. A conflict of interest may arise as these commissionable insurance product sales create an incentive to

recommend products based on the compensation adviser, broker-dealer, and/or our supervised persons could earn and may not necessarily be in the best interests of the client. In order to minimize this conflict of interest, our supervised persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics as well as clearly explaining this conflict when recommending any such products to our clients. Clients are not obligated to purchase any recommended products or may decide to purchase recommended insurance from another source.

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

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

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

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

Neither our firm nor a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest.

Related persons of our firm may buy or sell securities for themselves that are also recommended to clients, at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. If related persons' accounts are not included in a block trade, our related

persons will always trade personal accounts last.

We act in a fiduciary capacity as required by SEC and state Regulations. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We also adhere to the fiduciary standards of ERISA for all ERISA accounts. We adhere to the Impartial Conduct Standards which includes the "best interest" standard, reasonable compensation and no misrepresentation of information. We have policies and procedures in place to monitor our adherence to our fiduciary obligation. We strive to do what is in the best interests of all the accounts we advise.

## **Item 12: Brokerage Practices**

- A. Description of the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

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

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm has an arrangement with TD Ameritrade, Inc. ("TD Ameritrade") and Fidelity Investments ("custodian(s)"). The custodian(s) offers services to independent investment advisers which include custody of securities, trade execution clearance and settlement of transactions. (Please see the disclosure under Item 14 of this Brochure.)

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## 1. Research and Other Soft Dollar Benefits.

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

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the services discussed in 12A.1, we may have an incentive to continue to use or expand the use of the custodian(s) services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with the custodian(s) and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution. The custodian(s) charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no- load mutual funds, commissions are charged for individual equity and debt securities transactions). The custodian(s) enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The custodian(s) commission rates are generally discounted from customary retail commission rates. The commission and transaction fees charged by the custodian(s) may be higher or lower than those charged by other custodians and broker-dealers.

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Our non-wrap fee program clients may pay a commission to the custodian(s) that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. We do not receive a portion of client brokerage commissions (or markups or markdowns) or 12b-1 fees. We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

#### Brokerage for Client Referrals.

Our firm does not receive client referrals from any of the custodians or broker-dealers used.

#### Directed Brokerage.

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are affected. We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of TD Ameritrade. By directing brokerage we may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

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

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

##### a. Permissibility of client-directed brokerage.

We allow clients to direct brokerage. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher

brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

- b. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

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

We review accounts on at least an annual basis for our clients subscribing to our Asset Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to the following services: Asset Management.

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

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

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

Insurance Designers of Dallas assists in the sale of fixed annuity, Life, Disability and Long-Term Care products. They may provide consulting, education, promotional cash bonuses as well as training. LWealth is not affiliated with Insurance Designers of Dallas.

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We do not pay referral fees to any employee or third party for referring clients to our firm.

### **Item 15: Custody**

Regulatory Agencies generally take the position that any arrangement under which a registered investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the adviser's instruction to the custodian is deemed to have custody of client funds and securities. As such, we have adopted the following safeguarding procedures:

- Our clients must provide us with written authorization permitting direct payment to us of our advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- We must send a statement to our clients showing the amount of our fee, the value of your assets upon which our fee was based, and the specific manner in which our fee was calculated;
- We must disclose to you that it is your responsibility to verify the accuracy of our fee calculation, and that the custodian will not determine whether the fee is properly calculated; and
- Your account custodian must agree to send you a statement, at least quarterly, showing all disbursements from your account, including advisory fees.
- In addition, we are considered to have custody of certain Client 401(K) accounts. Therefore, we have a surprise audit performed annually to review these accounts.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

### **Item 16: Investment Discretion**

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

### **Item 17: Voting Client Securities**

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations using the contact information on the cover page of this brochure.

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### **Item 18: Financial Information**

We are usually not required to provide financial information in this Brochure because we do not require the prepayment of more than \$500 in fees per client, six or more months in advance, and we do not take custody of client funds or securities. However, due to the current economic uncertainty from Covid-19, Leap Wealth Management applied for and received a Paycheck Protection Program (PPP) loan that was necessary to help support Leap Wealth's ongoing operations. The PPP is administered by the U.S. Small Business Administration and is designed to provide economic relief to small businesses that have been adversely impacted by Covid-19.

Although Leap Wealth Management received the PPP loan, Leap Wealth Management has met all of its financial obligations and fully expects to be able to provide ongoing financial planning and portfolio management services to its clients. Additionally, we do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients, and our firm has never been the subject of a bankruptcy proceeding.