

**Item 1: Cover Page**  
**Wealth Advisors of Iowa, LLC**  
**A Registered Investment Adviser Firm**  
**IARD/CRD: 115088**

# **Wealth Advisors of Iowa**

## **Form ADV Part 2A Disclosure Brochure**

**September 16, 2020**

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This brochure provides information about the qualifications and business practices of Wealth Advisors of Iowa, LLC ("WAI"). If you have any questions about the contents of this brochure, please contact us by phone at 515-219-4835 or e-mail at [info@waiowa.com](mailto:info@waiowa.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"), the state of Iowa or by any other state securities authority.

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

Additional information about Wealth Advisors of Iowa, LLC is available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 2: Material Changes**

This Form ADV Part 2A Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The following material changes have been made to this Disclosure Brochure since our last fiscal year-end annual filing in March 2019:

- As of December 31, 2019, WAI has over \$245,426,054 in assets under management and is eligible to be registered with the Securities and Exchange Commission (SEC) as an investment adviser. We are now in the process of completing our registration filing as an investment adviser with the SEC. In addition, WAI is in the process of withdrawing our registration as a state registered investment adviser in the state of Iowa. Our transition to registering as an investment adviser with the SEC does not impact how we provide investment advice to our clients. See Item 4 on page 3. In addition, since WAI will no longer be a state registered investment adviser our respond to Item 19 has been removed.
- On December 16, 2019 Wealth Advisors of Iowa (WAI) transferred firm ownership to Capobianco Wealth Management, LLC (40%), Pearson Wealth Management, LLC (40%) and MHCS Wealth Management, LLC (20%). Jonathan "Jay" Pearson and Nick Capobianco are now affiliated with WAI, LLC as investment adviser representatives. See Item 4. A on page 3 for details.
- WAI now offers an enhanced level of advisory services to our clients including Portfolio Management Service, Wrap Fee Program Services and Retirement Plan Program Services. We have also made revisions to Financial Planning Services. Therefore, all of our disclosures in Item 4 through Item 8, Item 10 through Item 18 have been revised to accurately describe our new firm structure.
- In addition, WAI now offers a wrap fee program, the Wealth Advisors of Iowa, LLC Wrap Fee Program. See the Wealth Advisors of Iowa, LLC Wrap Fee Program Brochure.

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## **Item 4: Advisory Business**

**Wealth Advisors of Iowa, LLC (WAI)** has been registered as an investment adviser with the State of Iowa since 2012. WAI is a limited liability company organized in the state of Iowa. In December 2019 WAI transferred firm ownership from Michael Brinker and Brian Newton as equal member/owners of WAI to Capobianco Wealth Management, LLC (40%), Pearson Wealth Management, LLC (40%) and MHCS Wealth Management, LLC (20%). Jonathan “Jay” Pearson is now the WAI Managing Member and Kellie Masters is now Chief Compliance Officer of WAI. In addition, WAI has changed the focus of its advisory activities from primarily referring clients to other investment advisors to providing portfolio management services, financial planning services and retirement plan services.

As of December 31, 2019, WAI has over \$245,426,054 in assets under management and is eligible to be registered with the Securities and Exchange Commission (SEC) as an investment adviser. We are now in the process of completing our registration filing as an investment adviser with the SEC. In addition, WAI is in the process of withdrawing our registration as a state registered investment adviser in the state of Iowa. Our transition to registering as an investment adviser with the SEC does not impact how we provide investment advice to our clients.

**WAI Fiduciary Statement** - WAI is a fiduciary under ERISA or section 4975 of the Code (to the extent applicable) with respect to any investment advice that WAI provides in connection with Retirement Accounts and holdings. When providing any such fiduciary advice to a client WAI adheres to the standards of care of “Impartial Conduct Standards”. WAI also provides investment advice that is in the client’s “Best Interest.” Advice meeting the “Best Interest” standard is advice that reflects the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on your investment objectives, risk tolerance, financial circumstances, and needs, without regard to the financial or other interests of WAI. The compensation that WAI receives for their services is not excessive or unreasonable within the meaning of ERISA section 408(b)(2) or section 4975(d)(2). Statements by WAI to you about services subject to this Disclosure will not be materially misleading at the time they are made.

WAI offers a number of investment advisory services. In addition to the investment advisory services offered under this Form ADV Part 2A Disclosure Brochure WAI also provides wealth management services under WAI’s Wrap Fee Program. For information on WAI’s Wrap Fee Program please review WAI’s Wrap Fee Program Brochure.

### **Portfolio Management Services**

WAI offers ongoing portfolio management services, through the wrap fee program described below, based on the individual goals, objectives, time horizon, and risk tolerance of each client. WAI seeks to design investment strategies utilizing the client’s current situation (income, tax levels, and risk tolerance levels) to construct a plan to aid in the selection of a portfolio that matches each client’s specific situation.

Portfolio management services include, but are not limited to, the following:

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

WAI evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Advisory Agreement, which is given to each client.

WAI seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its clients and without consideration of WAI's economic, investment or other financial interests. To meet its fiduciary obligations, WAI attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and, accordingly, WAI's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time.

**Sub-Advisors** - In some instances, the management of client accounts are delegated to other investment advisors that have sub-advisor agreements with WAI. In such instances, the other investment advisors will have discretionary authority to manage client accounts. A complete description of each of these other investment advisor's services is described in their Form ADV Part 2A Disclosure Brochures. When another investment advisor is used in a client account the client will be provided the other investment advisor's Form ADV Part 2A Disclosure Brochure. A client may always place limitations on the use of other investment advisors by WAI.

### **Qualified Retirement Plan Services**

WAI offers advisory services to participant-directed defined contribution plans subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA) ("ERISA Plan clients"), such as 401(k) plans. Each ERISA Plan client is required to enter into an investment advisory or management agreement with WAI describing the services that WAI will perform for the ERISA plan and its participants. WAI provides both ERISA fiduciary services and non-fiduciary services to ERISA Plan clients.

### **Fiduciary Services**

WAI provides fiduciary services to ERISA Plan clients as a non-discretionary investment adviser.

### **Investment Advisory Services**

WAI also provides investment advisory services on a non-discretionary basis under ERISA § 3(21) and in that capacity, the ERISA Plan client retains, and exercises, final decision-making authority and responsibility for the implementation (or rejection) of WAI's recommendations or advice. Each ERISA Plan client who engages WAI to perform non-discretionary investment advisory services is required to enter into an investment advisory agreement.

WAI's non-discretionary investment advisory services include assisting the ERISA Plan client in developing and implementing an investment policy statement, assisting the ERISA Plan client in selecting a broad range of investment options consistent with ERISA § 404(c), assisting the ERISA Plan client in making decisions about the selection, retention, removal and addition of investment options, and if the ERISA client has determined that the Plan should have a Qualified Default Investment Alternative (QDIA) for participants who fail to make an investment election, assisting in the selection of the investment that will serve as a QDIA. WAI may also provide participant-level investment advisory services.

### **Non-Fiduciary Services**

WAI's non-fiduciary services to ERISA Plan clients include educating the ERISA Plan client as to its fiduciary responsibilities, assisting the ERISA Plan client in monitoring, selecting and supervising service vendors, and performing benchmarking studies and fee analysis. WAI's non-fiduciary services also include assisting in group enrollment meetings and educating plan participants about general investment principles and the investment alternatives under the plan.

### **Retirement Account Clients/Potential for Conflict of Interest**

WAI is a fiduciary under ERISA with respect to investment management services and investment advice provided to ERISA clients, including ERISA plan participants. WAI is also a fiduciary under the Internal Revenue Code ("IRC") with respect to investment management services and investment advice provided to ERISA plans, ERISA plan participants, IRA owners and IRAs (collectively, "Retirement Account clients"). As such, WAI is subject to specific duties and obligations under ERISA and the IRC that include, among other things, prohibited transaction rules which are intended to prohibit fiduciaries from acting on conflicts of interest. When a fiduciary gives advice in which it has a conflict of interest, the fiduciary must

either avoid or eliminate the conflict or rely upon a prohibited transaction exemption. A conflict of interest arises and the prohibited transaction rules are implicated when WAI provides fiduciary advice about plan distributions and rollovers if it results in WAI receiving compensation that it would not have received absent the advice. WAI will mitigate this conflict by acting in the best interest of the client.

### **Financial Planning Services**

WAI provides financial planning services to clients through its Investment Adviser Representatives (IARs). When providing financial planning services, WAI will obtain financial information and documents from clients to determine the appropriate advice to be provided to them. WAI provides the following financial planning services to clients:

- Asset Allocation
- Education Planning
- Net Worth Analysis
- Business Planning
- Estate/Trust Planning
- Retirement Income Planning
- Cash Flow Planning
- Estate Settlement
- Risk Analysis
- Education Planning
- Investment Planning
- Social Security Planning
- Qualified Retirement Plan Asset Allocation
- Comprehensive Planning
- Other financial planning services may also be provided to clients by WAI.

The financial planning services being provided by WAI do not include investment management services.

### **Referrals to Other Investment Advisers**

WAI may establish relationships with unaffiliated registered investment advisers that offer a variety of investment advisory programs and services that include asset management programs, separate account portfolio management programs, asset allocation programs, wrap fee programs and financial planning services. If a client is referred to one of these unaffiliated registered investment advisers WAI and WAI's IARs may receive referral fees from the unaffiliated registered investment adviser. WAI will, at all times, be in compliance with the rules and regulations under state law, and, if it applies, the Investment Advisers Act of 1940, 17 CFR Section 275.206(4)-3 regarding these relationships.

### **Additional WAI Advisory Service Disclosures**

**Wrap Fee Program** - WAI sponsors a wrap fee program, the Wealth Advisors of Iowa Wrap Fee Program, which is an investment program where the investor may pay one stated fee that includes one or more of the following: management fees, transaction costs, custodial costs, and/or any other administrative fees. A portion of the fees paid to the wrap fee program will be given to WAI as a management fee for its services.

**WAI Referrals** - WAI's referrals to other investment adviser services are tailored to the individual needs of each client. WAI obtains financial information from prospective clients to determine the suitability of WAI's referrals to other investment adviser services. Each client may impose restrictions on the types of referrals provided by WAI.

**Assets Under Management** - WAI has \$245,426,054 of assets under discretionary management as of December 31, 2019.

## **Item 5: Fees and Compensation**

### **Portfolio Management Services Fees**

WAI charges an annual fee of up to 2.00% of total assets under management, through these Portfolio Management Services. As a general rule, WAI's Portfolio Management Services are provide through WAI's wrap fee program, the Wealth Advisors of Iowa Wrap Fee Program. If a client Account is not being managed within WAI's Wealth Advisors of Iowa Wrap Fee Program the following fee structure applies.

Wealth management fees will be calculated and paid in advance or in arrears at the beginning of each quarter. Wealth management fees will be based on the Quarter Ending Balance (QEB) of the client's account assets under management at the end of the previous quarter. The QEB does not take into account securities that are not priced, nor does it count days when the account has a zero balance. Wealth management fees will be automatically deducted from account's core money market mutual fund. An account that is opened mid-period will be charged an initial wealth management fee that includes a portion of the fee that is pro-rated for the number of days that the account is open in the first quarter. Wealth management fees will be noted on client's monthly custodian statement. Clients provide WAI with written authorization to deduct all wealth management fees and trade execution charges from client's account at the Custodian. These fees are generally negotiable and the final fee schedule is included as part of the client agreement.

Expenses related to the ordinary servicing of the Account, including custody fees, security transaction fees, and/or program fees shall be paid by the client. Other non-ordinary fees or fees incurred at the direction of the client shall be paid by the client. Operating fees of mutual funds and other investment product fees are deducted from the asset value of those investments as defined in the prospectus of the sponsor for each product.

Client may have wealth management fees paid from other accounts or custodians or be billed directly by invoice.

For information on WAI's Wealth Advisors of Iowa Wrap Fee Program, please review WAI's Wealth Advisors of Iowa Wrap Fee Program Brochure.

### **Qualified Retirement Plan Services Fee**

WAI does not have a Qualified Retirement Plan Service plan asset minimum. However, WAI's Qualified Retirement Plan Service is best suited for employers with 50 or more employees or plans with \$1,000,000 or more of assets. For plans with fewer employees or assets of less than \$1,000,000 a negotiated fee will be considered for the scope of work to be performed.

Plan Sponsor shall pay under one of the following Fee Schedule structures:

- Annualized Asset Based Fee Schedule: Up to 1.0% of the assets invested in the plan. WAI's annualized asset-based fee schedule is paid monthly or quarterly in advance or arrears based upon previous period ending balance of the assets invested in the plan; or
- Annual Flat Fee Schedule: Up to \$25,000. WAI's Flat Fee schedule is paid quarterly in advance or arrears.

WAI's Qualified Retirement Plan Service fee minimum is \$1,000. WAI's Qualified Retirement Plan Service fee minimum may be negotiable at the discretion of WAI.

## **Financial Planning Services Fees**

The following is the WAI financial planning fee structure:

- **Hourly Fee** - Up to \$750 an hour for planning consulting.
- **Fixed Rate Fee** - The maximum fixed rate fee is \$20,000.
  - One-time fee; or
  - Annual fee payable in arrears at the end of each quarter or semi-annual period. The fee in the first period of the agreement shall be prorated from the inception date to the end of the first period. The final fee due is calculated on a prorated basis up to the date of termination.
- **Asset Based Fee** - The fee is annualized and payable in arrears at the end of each quarter or semi-annual period based on the period ending value of the assets. The maximum asset based fee is an annualized rate of up to 1.5% The fee in the first period of the agreement shall be prorated from the inception date to the end of the first period. The final fee due is calculated on a prorated basis up to the date of termination.

All financial planning fees are negotiable and will be noted in the client agreement.

Financial planning fees may be billed and be due upon entering in an agreement, upon completion of the financial planning services, on a quarterly billing basis, bi-annual billing basis, or a combination of these options. WAI will not collect an advance fee of \$1,200 for services that will take six (6) months or more to complete.

The financial planning fees paid by client do not include payment for other professional services, which may be required by client to implement the recommendations made by WAI. Financial planning fees are negotiable.

## **Referrals to Other Investment Advisers Fees**

The investment advisory and referral fees in these investment advisor's programs are negotiable but may range up to 2.5% with the fees being divided between the investment advisor and WAI. All fees are fully disclosed in the agreement signed by the client. Fees for these referral adviser programs and services may be more than the cost of purchasing the same services separately or similar services elsewhere.

WAI does not deduct fees from client accounts or assets that are referred to other investment advisers. All fee billing and fee deductions are done by these other investment advisers. Once these other investment advisers are paid the fees owed them they pay WAI its referral fees. For further details on these other investment advisers and their fee billing procedures please review their Form ADV Part 2 Disclosure Brochures and client agreement forms.

## **WAI Compensation Conflicts**

### **Insurance Compensation**

WAI's IARs may be licensed insurance agents. In this capacity, they may sell insurance products for sales commissions as independent insurance agents. The IARs may receive a portion of these commissions in their separate capacity as insurance agents. clients should be aware that the payment and receipt of these commissions could create a potential conflict of interest to recommend investment and insurance products based on compensation rather than client needs. These insurance products will not be placed in WAI investment advisory accounts if the IAR receives a portion of these commissions in their separate capacity as insurance agent. clients always have the option to purchase the insurance products that IARs recommends through other unaffiliated insurance agents. WAI IAR generally spend less than 5% of their time on these activities and receives less than 5% of their income from these activities.

### **Accounting Compensation**

Michael Brinker, David Farnsworth and Brian Newton also provide accounting, business consulting, and tax preparation services through McGowen Hurst Clark Smith (MHCS), a Certified Public Accounting firm. clients of WAI may also be clients of MHCS. clients are not obligated in any manner to use the services of MHCS. These IARs spend a majority of their time on these CPA accounting activities and receive a majority of their income from these activities.

### **WAI Compliance Oversight Policies:**

WAI addresses these compensation conflicts through the following Compliance Oversight Policies:

**Conflicts of Interest** - WAI must disclose any potential or actual conflicts of interest when dealing with clients.

**WAI Obligations** - WAI and its IARs are subject to the following specific obligations when dealing with clients:

- The duty to have a reasonable, independent basis for its investment advice;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and,
- A duty to be loyal to clients.

WAI's Chief Compliance Officer (CCO) is responsible for supervising WAI advisory accounts and other advisory activities. The main reports and documents the CCO reviews to supervise/review these activities are Investor Profile Questionnaires, new account documents, trade tickets, confirmations, brokerage statements, performance reports, daily activity reports and planning documents.

clients always have the option of purchasing recommended investment and insurance products through broker-dealers, other investment advisers and other insurance agents that are not affiliated with WAI.

### **WAI Agreement Termination Provisions**

All WAI client Agreements may be terminated by WAI or client effective upon receipt of written notice to the other party. Upon termination, client shall receive a refund of any fees not already earned by WAI. Termination of an Agreement will not affect the liabilities or obligations of the parties arising out of services initiated prior to termination. Any fees owed by client at the termination of an Agreement shall be immediately due and payable at the termination of the Agreement. When WAI's ADV 2A Disclosure Brochure is not provided to the client at least 48 hours prior to signing this Agreement with WAI, client will have five business days to cancel this Agreement without penalty.

### **General WAI Fee Disclosure**

Fees paid by clients in the various advisory programs and services of WAI may be more than the cost of purchasing the same services separately or similar services elsewhere.

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

WAI does not conduct any performance-based fee advisory business or activities.

### **Item 7: Types of Clients**

WAI generally provides investment advice to the following:

- Individuals
- High-Net-Worth Individuals
- Banks and Thrift Institutions
- Pension and Profit Sharing Plans
- Trust, Estates or Charitable Organizations
- Corporations or Business Entities

Portfolio Management Services Account Size Minimum and fees – WAI does not impose a minimum account or minimum fees. Certain Sub-Advisers may impose minimum assets levels.

Planning Fee Minimum- WAI charges a minimum fee of \$150 for financial planning services. Exceptions may be granted to this minimum at the discretion of WAI.

Qualified Retirement Plan Minimum- WAI does not impose a minimum plan size but does impose a minimum fee of \$1,000.

Referral Adviser Fees – Investment Advisers that WAI may refer clients to set their own account minimums. Generally, such minimums are in the \$50,000 to \$100,000 account size range.

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

### **Methods of Analysis**

WAI's methods of analysis include charting analysis, fundamental analysis, technical analysis, cyclical analysis, quantitative analysis and modern portfolio theory.

**Charting analysis** involves the use of patterns in performance charts. WAI 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.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Quantitative analysis** deals with measurable factors, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern Portfolio Theory** is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

### **Investment Strategies**

WAI uses long term trading, short term trading, short sales, and options trading (including covered options, uncovered options or spreading strategies).

### **Material Risks Involved**

**Charting analysis** strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in 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.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles these investors are trying to exploit.

**Quantitative Model Risk.** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### **Risk of Loss**

There are risks inherent in all financial decisions and transactions. WAI and WAI's IARs cannot guarantee the current or future performance of client accounts, or the success of any investment decision or strategy that WAI may use with client accounts.

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

WAI and WAI's IARs have no disciplinary information history to disclose.

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

#### **Broker-Dealer and other Financial Industry Activities and Affiliations**

WAI is not registered as a broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor and will not become registered in any of these capacities. WAI's IARs are not an associate of a futures commission merchant, commodity pool operator or commodity trading advisor. WAI and WAI's IARs will not become registered or associated in any of these capacities.

No WAI IAR is licensed as a registered representative of a Securities & Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA) registered broker-dealer.

**Insurance Activities and Affiliations** - WAI IARs may also be licensed as insurance agents and can provide insurance products and services to clients. As an insurance agent they will earn insurance commissions and fees while selling and servicing insurance products and services. They will only offer insurance products and services in states where they are properly licensed. These IARs spend less than 5% of their time on these insurance activities and receive less than 5% of their income from these activities.

**CPA Accounting** - Michael Brinker, David Farnsworth and Brian Newton also provide accounting, business consulting, and tax preparation services through McGowen Hurst Clark Smith (MHCS), a Certified Public Accounting firm. clients of WAI may also be clients of MHCS. clients are not obligated in any manner to use the services of MHCS. These IARs spend a majority of their time on these CPA accounting activities and receive a majority of their income from these activities.

**Conflicts Regarding Other Financial Industry Activities and Affiliations** - WAI addresses these conflicts through the following Compliance Oversight Policies:

**Conflicts of Interest** - WAI must disclose any potential or actual conflicts of interest when dealing with clients.

**WAI Obligations** - WAI and its IARs are subject to the following specific obligations when dealing with clients:

- The duty to have a reasonable, independent basis for its investment advice;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs, and circumstances; and
- A duty to be loyal to clients.

The Chief Compliance Officer (CCO) of WAI is responsible for supervising WAI advisory accounts & planning activities. The main reports and documents the CCO reviews to supervise/review these activities are Investor Profile Questionnaires, new account documents, trade tickets, confirmations, brokerage statements, performance reports, daily activity reports and planning documents.

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

Code of Ethics - WAI has established a Code of Ethics to comply with the requirements of Section 204A-1 of the Investment Advisers Act of 1940 and state rules that reflects WAI's fiduciary obligations and those of its supervised persons and requires compliance with federal and state securities laws. WAI's Code of Ethics covers all individuals that are classified as "supervised persons." All WAI owners and IARs are classified as supervised persons. WAI requires its supervised persons to consistently act in the WAI clients' best interest in all advisory activities. WAI imposes certain requirements on supervised persons to ensure that they meet WAI's fiduciary responsibilities to WAI clients. This standard of conduct requirement is higher than what is ordinarily required and encountered in business.

- WAI and WAI's supervised persons may buy, sell and hold securities for their personal accounts, which WAI may also recommend to clients, or buy and sell on a discretionary basis for clients. As these situations may present a conflict of interest, it is the policy of WAI that no supervised person shall prefer their own interest over the interest of WAI clients.
- No supervised person employed by WAI may buy or sell securities for their personal accounts where their decision is derived from information obtained through their employment with WAI unless the information is also available to the investing public upon reasonable inquiry.
- WAI does not recommend that clients buy or sell any security in which a related person to WAI or WAI has a material financial interest.
- WAI maintains a list of all securities holdings for all supervised persons, which is reviewed on a regular basis by a principal of WAI.

**Conflicts of Interest** – WAI must disclose any potential or actual conflicts of interest when dealing with clients.

**WAI Obligations** – WAI is subject to the following specific obligations when dealing with clients:

- The duty to have a reasonable, independent basis for its investment advice;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and, a duty to be loyal to clients.

This Code of Ethics response is only intended to provide clients and potential clients with a summary description of WAI's Code of Ethics. If current clients or potential clients want to review WAI's entire Code of Ethics they may obtain a copy of it by calling Kellie Masters at 515-219-4835 or e-mailing her at: [kmasters@waiowa.com](mailto:kmasters@waiowa.com).

## Item 12: Brokerage Practices

**WAI Brokerage and Custodian Relationships** - WAI considers a number of factors including, without limitation, best execution, the overall direct net economic impact on account assets (including commissions which may not be the lowest available, but which will not be higher than the generally prevailing competitive range) the financial stability of the Broker-Dealer and Custodian, the efficiency with which the transaction is effected, the ability to effect the transaction where complicating factors are involved, the availability of the Broker-Dealer and Custodian to stand ready to execute possible difficult transactions in the future, and other matters involved in the receipt of brokerage and research services.

WAI has a Broker-Dealer/Custodian arrangement with LPL Financial, a SEC registered broker/dealer, member FINRA and SIPC. All variable annuities managed within Portfolio Management Program accounts are held at the corresponding insurance company's custodian of record.

WAI will generally recommend LPL to clients for custody and brokerage services. There is no direct link between WAI, LPL and the investment advice WAI gives to clients, although WAI receives economic benefits through its participation in LPL's advisory accounts custody and brokerage services that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount):

- Duplicate client statements and confirmations;
- Research related products and tools;
- Access to consulting services;
- Access to a trading desk serving advisor participants;
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- The ability to have advisory fees deducted directly from client accounts;
- Access to an electronic communications network for client order entry and account information;
- Access to mutual funds with no transaction fees and to certain institutional money managers; and
- Access to discounts on compliance, marketing, research, technology, and practice management products, services or conferences provided to WAI by LPL or third party vendors.

Some of the products and services made available by LPL may benefit WAI but may not directly benefit client accounts. These products or services may assist WAI in managing and administering client accounts, including accounts not maintained at LPL. Other services made available by LPL are intended to help WAI manage and further develop its business enterprise. clients should be aware, however, that the receipt of economic benefits by WAI creates a conflict of interest and may influence WAI's choice or recommendation of LPL for custody and brokerage services.

WAI does not have discretionary authority to choose either the Broker/Dealer used for transactions or the commission rates paid.

**Financial Vendors** - WAI, its IARs and associates from time to time may accept invitations to financial events and conferences from financial vendors which may include flights, lodging and meals in addition to other expenses. WAI, its IARs and associates may also be reimbursed for expenses related to these financial events.

**Trading** – WAI allocates trades to clients in a fair and equitable manner that will be applied consistently to all clients. Personal accounts of WAI, its IAR and family members will not be treated more favorably than any other client account. WAI will make every attempt to completely fill all block order trades. All variable annuities managed within the Portfolio Management Program by WAI will have their variable annuity sub-account transactions processed through the custodian of record for the variable annuity.

**Trading Error Corrections** - It is WAI's policy to ensure clients are made whole following a trade error. Specifically, when a trade error occurs in a client account that results in a loss, WAI will reimburse the

client. If the trade error was made in a client account resulting in a gain, the client will keep the gain. If the trade error was made in a block trading account and client funds were not at risk and the trade results in a gain, WAI will keep the gain unless the custodian keeps the gain.

**Reports and Statements** - Clients may receive periodic performance reports from WAI describing account performance and holdings. When there is activity in the account clients will receive a monthly account statement from LPL showing the account activity as well as positions held in the account at month's end. At a minimum, clients will receive a statement from LPL for transactions and holdings on a quarterly basis.

### **Item 13: Review of Accounts**

**Portfolio Management Services and Wrap Fee Program Accounts Services** - WAI's IARs reviews accounts to determine the appropriate investment objectives that are specific for each client account that is established with WAI. WAI's IARs gives investment advice to their clients based on what is suitable for each client. clients may impose restrictions on investing in certain securities or types of securities. Reviews are conducted for all models and accounts on an ongoing basis. WAI's IARs reviews investment performance, suitability, appropriate asset allocation, and monitors the account for any changes or updates that are needed.

**Financial Planning Review** - WAI will obtain financial information from a prospective client to determine the suitability and level of WAI's Financial Planning Services. WAI's IARs gives advice to a client based on the level of service agreed to in the financial planning agreement with the client. With respect to one-off financial plans, WAI's services will generally conclude upon delivery of the financial planning advice or planning document.

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

**Referrals to Other Investment Advisers** – WAI may establish relationships with unaffiliated registered investment advisers that offer a variety of investment advisory programs and services that include asset management programs, separate account portfolio management programs, asset allocation programs, wrap fee programs and financial planning services. If a client is referred to one of these unaffiliated registered investment advisers, WAI may receive referral fees from the unaffiliated registered investment adviser. WAI will, at all times, be in compliance with the rules and regulations under state law, and if it applies, the Investment Advisers Act of 1940, 17 CFR Section 275.206(4)-3 regarding these relationships.

Neither WAI nor WAI IARs directly or indirectly compensate any persons or entities for client referrals.

### **Item 15: Custody**

WAI does not act as a qualified custodian. All WAI Wrap Fee client accounts are maintained at LPL, which is a qualified custodian. However, under SEC and state rules WAI has custody of client assets due to our ability to deduct fees from client accounts. LPL sends account statements directly to clients. Clients should carefully review those statements. All other client accounts and asset are also held at qualified custodians.

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

Clients provide written authorization to WAI to use limited discretionary trading authority to buy, sell and direct investments within their accounts, including reinvestment of proceeds from assets sold and income attributable to their account, in cash, cash equivalents, bonds, shares of common or preferred stock, unit investment trusts, ETF's, mutual funds, options, variable annuity sub-accounts, or other alternative securities selected by WAI and WAI IAR for their accounts. Clients appoint WAI and WAI's IARs as their agent and attorney-in-fact with respect to this limited discretionary trading authorization. clients may impose restrictions on investing in certain securities or types of securities. This limited discretionary trading authorization shall remain in full force and effect and be relied upon by WAI and WAI IARs until a

written notice of termination or change is received by WAI from a client. Under no circumstance will WAI and WAI IARs effect transactions for clients which WAI believes will violate any rules or regulation of any regulatory or self-regulating body, or state or federal law. Clients may also place limits on the purchase of certain securities in their accounts.

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

WAI will not exercise proxy-voting authority over the securities held in client accounts. The obligation to vote client proxies shall at all times rest with the client. However, clients may contact WAI for advice or information about a particular proxy vote. WAI shall not be deemed to have proxy-voting authority solely as a result of providing such advice to a client. Should WAI inadvertently receive proxy information for a security held in a client account, such information shall be immediately forwarded to client.

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

WAI does not maintain custody of client accounts or assets outside of our ability to deduct fees from client accounts. At no time will fees of more than \$1,200 be charged six or more months in advance of services being provided by WAI or our IARs. WAI has no financial situations which may impair our ability to conduct business. As such, WAI has no financial information to report and a balance sheet is not required to be provided to clients at this time.

**PRIVACY POLICY NOTICE**  
**Wealth Advisors of Iowa, LLC**  
December 15, 2019

***Our Promise to You***

As a client of WAI, you share both personal and financial information with us. Your privacy is important to us and we are dedicated to safeguarding your personal and financial information.

***Information Provided by Clients***

In the normal course of doing business, we typically obtain the following non-public personal information about our clients:

- Personal information regarding our clients' identity such as name, address and social security number;
- Information regarding securities transactions effected by us; and
- Client financial information such as net-worth, assets, income, bank account information and account balances.

***How We Manage and Protect Your Personal Information***

- Require new associates to review and acknowledge the firm's compliance policy manual, which includes this privacy policy, and all associates to review and acknowledge the compliance policy manual annually.
- Prohibit associates from providing client information over the telephone or in response to an e-mail message unless the associate has identified the other person as the client, a fiduciary representative of the client, an authorized agent of the client or a party that needs the information to complete a transaction for the client (such as broker-dealers, custodians or administrative service providers.)
- Maintain appropriate security measures for our computer and information systems, including the use of encryption, usernames/passwords and firewalls.
- Use locks and other appropriate physical security measures to safeguard client information stored in paper format. For example, associates are expected to secure client information within locked cabinets when the office is closed.
- Dispose of client information stored in electronic or paper form in such a manner (e.g., through the use of a shredder or shredder service) to reasonably ensure such information is protected from unauthorized access.
- Engage a third-party service provider only after we have entered into a contractual agreement that prohibits the service provider from disclosing or using confidential personal information except as necessary to carry out its assigned responsibilities and only for that purpose.
- Have implemented the use of procedures and systems that will keep all confidential WAI and client information protected from unauthorized viewing and access by persons or entities that are not affiliated with or associated with WAI.

***Third-Parties and Third-Party Service Providers to Whom We May Disclose Information***

WAI may need to share personal information to run our everyday business. The following are reasons that we may share your personal information:

- For everyday business purposes – such as to process your transactions and maintain your account(s);
- To assist us in complying with our legal and regulatory responsibilities;
- To respond to court orders and legal investigations, or report to credit bureaus;
- To comply with federal and state laws and regulations.

We will not disclose nonpublic personal information about a client to a non-affiliated third-party other than as described in this policy stated above or as permitted by Regulation S-P unless:

- We have provided the client with a revised notice describing the new policy;
- We have provided the client with an "opt-out" notice; and
- We have provided the client a reasonable opportunity to opt-out of the disclosure before WAI discloses the information to the non-affiliated third party.

WAI is not required to send privacy notices or provide opt-out elections to clients unless we intend to share the client's nonpublic personal information with a non-affiliated third party outside of policy stated above.

***Client Notifications***

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy. Please do not hesitate to contact us with questions about this notice by calling Kellie Masters at 515-219-4835 or e-mail at: [kmasters@waiowa.com](mailto:kmasters@waiowa.com).