



## **Hall Private Wealth Advisors**

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

**Effective: March 2020**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Hall Private Wealth Advisors, LLC (“HPWA”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (858) 263-1675 or by email at [Russ.Hall@hallpwa.com](mailto:Russ.Hall@hallpwa.com).

HPWA is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The information in this Disclosure Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about HPWA to assist you in determining whether to retain HPWA.

Additional information about HPWA and its investment adviser representatives is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 175335.

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## **Item 2 – Material Changes**

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about investment adviser representatives of HPWA. For convenience, we have combined these documents into a single disclosure document.

HPWA believes that communication and transparency are the foundation of its relationship with Clients and will always strive to provide its Clients with complete and accurate information. HPWA encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us.

### **Material Changes**

There have been no material changes to this Disclosure Brochure since the last filing on March 11, 2019, our last distribution to Clients.

### **Future Changes**

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

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with our firm name or our CRD# 175335. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (858) 263-1675 or by email at [Russ.Hall@hallpwa.com](mailto:Russ.Hall@hallpwa.com).

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Hall Private Wealth Advisors, LLC (“HPWA”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”), which is organized as a Limited Liability Company (“LLC”) under the laws of the State of California. HPWA was founded in 2015 and is owned and operated by Russell Hall (Managing Director and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by HPWA.

### **B. Advisory Services Offered**

HPWA offers investment advisory services to individuals, high net worth individuals and pension and profit-sharing plans (each referred to as a “Client”).

HPWA serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, HPWA upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### **Wealth Management Services**

HPWA provides Clients with wealth management services, which includes a broad range of financial planning and consulting services in connection with discretionary management of investment portfolios, pursuant to the terms of an agreement. HPWA’s wealth management services are specifically designed for our Qualified Clients (i.e., those clients who maintain at least \$1,000,000 in assets under management (“AUM”) with the firm or who have a net worth of \$2,100,000), where the Client will pay a lower AUM fee (compared to the AUM fee charged to Non-Qualified Clients) in addition to a performance fee. These services are described below. HPWA also offers wealth management services to Non-Qualified Clients, where HPWA will not assess a performance-based fee.

#### **Investment Management Services**

HPWA provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. HPWA works closely with Clients to identify their investment objectives, risk tolerance and financial situation in order to create a prudent portfolio strategy. HPWA will then construct a portfolio, generally consisting of stocks, exchange-traded funds (“ETFs”) and/or bonds to help achieve the Client’s investment objectives. HPWA may retain certain legacy investments based on portfolio fit and/or tax considerations.

HPWA’s investment strategies are primarily long-term focused, but HPWA may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. HPWA will construct, implement and monitor the Client’s portfolio in an attempt to ensure that the portfolio meets the objectives agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by HPWA.

HPWA evaluates and selects investments for inclusion in Client portfolios after applying its internal due diligence process. HPWA may recommend the redistribution of investment holdings to diversify the portfolio and may recommend specific positions to increase sector or asset-class weightings. HPWA can recommend employing cash positions as a possible hedge against market movement. HPWA may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or for any risk deemed as unacceptable for the Client’s risk tolerance.

Furthermore, we offer three models that form the foundation of our Asset Management Services and these models are customized for either taxable or non-taxable accounts. Our growth model is generally comprised of 80% equities and 20% income-oriented instruments. Our balanced model is generally comprised of 60% equities and 40% income-oriented instruments. Finally, our preservation model is generally comprised of 20% equities and 80% income-oriented instruments. HPWA makes every attempt to manage each model portfolio to be consistent with the investment objective

(growth, balanced, or preservation) and risk tolerance (aggressive, moderate, or conservative), however, HPWA has great latitude to vary the allocations and holdings based on market conditions and investment opportunities. For example, in extreme market conditions, HPWA could move the client's portfolio to an all cash position.

When client accounts are managed using one or more of our models, investment selections are based on the underlying model-strategy and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a model is always based on each client's individual investment goals, objectives and mandates.

All Client assets will be managed within the designated account[s] at the Custodian, pursuant to the terms of the agreement, please see Item 12 – Brokerage Practices.

#### Financial Planning Services

HPWA provides a variety of financial planning services to individuals and families as part of its investment management services or pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation. Such financial planning services are based on the client's unique circumstances and needed. Services can involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, estate planning, personal savings, tax planning, education savings, debt management, insurance needs and other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will often include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs, consult with their tax advisor or estate attorney, or pay down debt.

When appropriate and in the best interests of Clients, HPWA will refer Clients to an accountant, attorney or another specialist as appropriate for their unique situation. For certain financial planning engagements, HPWA will provide a written summary of the Client's financial situation, which will generally include observations, and recommendations. For consulting or ad-hoc engagements, HPWA may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a conflict between the interests of HPWA and the interests of the Client. For example, a recommendation to engage HPWA for investment management services or to increase the level of investment assets with HPWA would pose a conflict, as it would increase the advisory fees paid to HPWA. Clients are not obligated to implement any recommendations made by HPWA or maintain an ongoing relationship with HPWA. If the Client elects to act on any of the recommendations made by HPWA, the Client is under no obligation to implement the transaction through HPWA.

#### **C. Client Account Management**

Prior to engaging HPWA to provide investment advisory services, each Client is required to enter into one or more agreements with HPWA that define the terms, conditions, authority and responsibilities of HPWA and the Client. These services may include:

- Establishing an Investment Strategy – HPWA, in connection with the Client, will develop an investment strategy that seeks to achieve the Client's investment goals and objectives.
- Asset Allocation – HPWA may develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – HPWA may develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – HPWA will provide investment management and ongoing oversight of the Client's investment portfolio.

#### **D. Wrap Fee Programs**

HPWA absorbs securities transaction fees together with its investment advisory fees. Including these fees into a single asset-based fee is considered a "Wrap Fee Program". HPWA customizes its investment management services for its Clients. HPWA sponsors the HPWA Wrap Fee Program solely as a supplemental disclosure regarding the combination of fees. Depending on the level of trading required for the Client's account[s] in a particular year, the Client may pay total fees that are more or less than if the Client paid its own transaction fees. Please see Appendix 1 - Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

#### **E. Assets Under Management**

We manage and administer approximately \$220,186,434 as of February 18, 2020. Of this total, \$130,497,611 is managed by HPWA as reported on the HPWA Form ADV Part 1A, Item 5.F. for regulatory purposes, all of which is managed on a discretionary basis.

In addition, our investment advisor representatives, in their separate capacities as M.S. Howells & Co. registered representatives, oversee \$89,688,823 of client assets held in M.S. Howells & Co. brokerage accounts, accounts held directly at variable annuity companies and accounts held directly at mutual fund companies. All of these assets through M.S. Howells & Co. are non-discretionary.

#### **Item 5 – Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for services provided by HPWA. Each Client engaging HPWA for services described herein shall be required to enter into one or more investment advisory agreements with HPWA.

##### **A. Fees for Advisory Services**

###### Wealth Management Services:

As described in item 4 above, wealth management services are provided exclusively to our "Qualified Clients". For Clients engaged under HPWA's wealth management services, the Client will be charged a single combined fee for investment management and HPWA can provide more advanced planning or services. In addition, "Qualified Clients" are assessed a performance-based fee, pursuant to the execution of a performance-based investment advisory agreement as described in Item 6 below. Annual wealth management fees are assessed and billed quarterly, in-arrears, based on the market value of assets under management at the end of the most recent quarter based on the following schedule:

<b>Assets Under Management (\$)</b>	<b>Annual Rate (%)</b>
\$1,000,000 to \$2,000,000	0.90%
\$2,000,001 to \$5,000,000	0.80%
\$5,000,000 and over	Negotiable

Fees can vary from the above fee schedule depending on the nature and complexity of the Client's circumstances, or with the inclusion of financial planning or other services pursuant to the terms of the wealth management agreement.

Non-Qualified Client fees are based on the fee schedule below, where a performance fee will not be assessed. HPWA may choose to charge a separate fee for financial planning services based on the complexity and needs of the client, pursuant to the terms of the agreement. An estimate for the total costs will be determined prior to establishing the advisory relationship.

###### Investment Management Services

Investment advisory fees are paid quarterly, in-arrears, pursuant to the terms of the investment advisory agreement. Investment advisory fees are assessed and billed quarterly based on the market value of assets under management at the end of the most recent quarter, based on the following schedule:

<b>Assets Under Management (\$)</b>	<b>Annual Rate (%)</b>
Up to \$250,000	1.50%
\$250,001 to \$500,000	1.25%
\$500,001 to \$1,000,000	1.15%
\$1,000,001 to \$2,000,000	1.00%
\$2,000,001 to \$5,000,000	0.90%
\$5,000,001 and over	Negotiable

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of HPWA. The Client's fees will take into consideration the aggregate assets under management with HPWA. All securities held in accounts managed by HPWA will be independently valued by the Custodian. HPWA will not have the authority or responsibility to value portfolio securities.

#### Financial Planning Services

HPWA also offers financial planning services as a separate engagement, either on an hourly basis or for a fixed fee per engagement. Hourly engagements are billed at a rate of up to \$350 per hour. Fixed fee engagements range up to \$25,000. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with HPWA. An estimate for total hours and/or total costs will be provided to the Client prior to engagement for these services.

### **B. Fee Billing**

#### Investment Management Services

Investment advisory fees are calculated by HPWA and deducted from the Client's account[s] at the Custodian. HPWA or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] after the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management adjusted for deposits and withdrawals with HPWA after the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by HPWA directly from their account[s] held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

#### Financial Planning Services

Financial planning fees may be invoiced up to fifty percent (50%) of the expected total fee upon execution of the financial planning agreement. The balance shall be invoiced upon completion of the agreed upon deliverable[s].

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. HPWA absorbs securities transactions costs as part of its overall investment advisory fee through the HPWA Wrap Fee Program. Securities transaction fees for Client-directed trades may be charged back to the Client. Please see Item 4.D. above as well as Appendix 1 – Wrap Fee Program Brochure.

In addition, all fees paid to HPWA for investment advisory services or part of the HPWA Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of HPWA, but would not receive the services provided by HPWA which are designed, among other things to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by HPWA to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

### **D. Advance Payment of Fees and Termination**

#### Investment Management Services

HPWA is compensated for its services at the end of the quarter after investment advisory services are rendered. Either party may terminate the investment advisory agreement, at any time, by providing advance written notice to the other party. Upon termination the Client will be responsible for investment advisory fees up through and including the effective date of termination. The Client's investment advisory agreement with HPWA is non-transferable without the Client's prior consent.

#### Financial Planning Services

HPWA may be partially compensated for its financial planning services at the start of the engagement. Either party may terminate the financial planning agreement by providing advance written notice to the other party. Upon termination, the Client shall be billed for actual hours logged on the planning project multiplied by the contractual hourly rate or in the case of a fixed fee engagement, the percentage of the engagement scope completed by HPWA. Upon termination, any unearned, prepaid fees will be refunded to the Client. The Client's financial planning agreement with HPWA is non-transferable without the Client's prior consent.

#### **E. Compensation for Sales of Securities**

Some of the advice offered by our advisor representatives involve investments in mutual fund products. Load and no-load mutual funds pay annual distribution charges sometimes referred to as 12b-1 fees. **However, our advisor representatives do not receive any portion of the 12b-1 fees paid and other compensation such as commissions, loads, trails, etc. when holding mutual funds in fee-based Investment Management Services accounts.**

It is our practice to not select mutual funds that pay 12b-1 fees. Because we only receive advisory fees charged to clients, there is not an incentive for us to recommend investment products paying commissions and other fees when selecting mutual funds and/or ETFs. Therefore, we primarily recommend no-load mutual funds and mutual funds priced at net-asset-value. Whenever possible, we utilize institutional fund share classes that provide the lowest internal fund expenses.

Our advisor representatives can sell securities in their separate capacities as registered representatives of M.S. Howells & Co. In addition, they sell insurance products in their capacities as independent insurance agents for sales commissions. When administering non-advisory, non-fee based accounts through M.S. Howells & Co., our advisor representatives will receive normal and customary commissions. This will include a portion of 12b-1 fees, trailer fees, and loads from some investment companies. Clients should be aware that these 12b-1 fees come from fund assets, and thus, indirectly from client's assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12b-1 fees or higher 12b-1 fees over funds with no fees or lower fees, therefore creating a conflict of interest.

You are never obligated to use M.S. Howells & Co. and you are never obligated to purchase investment products through our investment advisor representatives. You have the option to purchase investment products through other brokers or agents that are not affiliated with HPWA.

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

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HPWA will receive a performance fee based on the capital gains obtained in the accounts of "Qualified Clients" pursuant to the terms an investment advisory agreement. Only Qualified Clients with either \$1,000,000 under management with HPWA or a net worth of \$2,100,000 can be charged a performance fee. Qualified Clients that are charged a performance fee will be charged a lower annual asset management fee (compared to Non-Qualified Clients).

The performance fee will be calculated, accounting for any deposits or withdrawals, at the close of each calendar year and deducted from Client accounts directly by the Custodian. The performance fee will be equal to 20% of any gains in excess of the agreed upon blended benchmark, as defined in the Client Agreement and below:

- The portfolio return's net outperformance, relative to the benchmark as specified below, subject to a "high-water mark" limitation (as defined below).

- The 20% excess performance fee will be calculated based on a calendar 12-month period (the "Billing Period"), paid annually and assessed as of the close of business on the last day of the calendar year (the "Billing Date"), less any Client deposits and plus any withdrawals during the Billing Period. Our calculation consists of taking 20% of net-of-fee returns over the blended benchmark (e.g., a portfolio earning 5% excess returns relative to the benchmark will be assessed a performance fee of 1% for the Billing Period in addition to the investment management fee). For Client Accounts opened mid-year, the performance fee will be based on the time-weighted return from inception, to the calendar year-end period, and annually thereafter.
- Once a performance fee is paid, HPWA retains the fee regardless of its subsequent performance; however, no additional performance fee will be paid to HPWA until the portfolio recoups any previous losses ("high-water mark"). Thus, after the first Billing Period in which a performance fee is earned, the performance fee for subsequent Billing Periods only applies to the extent that a portfolio's performance exceeds what had been achieved through the close of any prior period. The high-water mark is established when the Account is opened with HPWA, and recalculated annually as of the Billing Date by adjusting the value of the portfolio for changes in market value and all deposits and withdrawals from the Client Account, including all fees paid to HPWA. If the Client loses money in a Billing Period, HPWA will get no performance fee for that period, but will not share in that loss; and
- The portfolio's returns and the subsequent impact of any cash inflows and outflows will be calculated using a "time-weighted" return method.

A performance fee in the first year of service is prorated to the inception date of the account to the end of the first year. Performance fee may be negotiable at the discretion of HPWA.

There are conflicts of interest HPWA faces by managing some client accounts on a performance-based fee arrangement at the same time as managing asset based, non-performance-based accounts. For example, the nature of a performance fee poses an opportunity for HPWA to earn more compensation than under a stand-alone asset-based fee. Consequently, HPWA could favor performance-based accounts over those accounts where we receive only an asset-based fee. This creates the incentive to devote more time and attention to performance-based accounts than to accounts under an asset-based fee-only arrangement. This would be incidental not intentional.

The nature of performance fees can encourage unnecessary speculation with client assets in order to earn or increase the amount of the fee. The result of riskier investments can have a positive effect in that results could equal higher returns when compared to an asset-based fee account. On the other hand, riskier investments historically have a higher chance of losing value. Also, since in a performance fee arrangement an adviser is compensated based on capital gains or capital appreciation, these arrangements could give an investment adviser an incentive to time transactions in a client's account on the basis of fee considerations rather than on what is in the best interest of the client.

Performance fees can cause an investment adviser to engage in transactions or strategies which will increase the amount of the performance fees, but which may not increase the overall performance of the client's account. For example, an account may lose value during a quarter and no performance fee will be earned. In the following quarter, HPWA may receive a performance fee for simply recouping losses from the previous year. HPWA controls for this conflict of interest by using a high-water mark fee calculation method.

HPWA does not represent that the amount of the performance fees or the manner of calculating the performance fees is consistent with other performance related fees charged by other investment advisers under the same or similar circumstances. The performance fees charged by HPWA may be higher than the performance fees charged by other investment advisers for the same or similar services.

HPWA has established policies and procedures to address the various conflicts of interest associated with charging a performance fee:

- Only clients that are able to assume additional risk are solicited to engage in a performance fee arrangement. HPWA provides such clients full disclosure of the additional risks associated with a performance fee

- arrangement.
- Client accounts eligible to be charged a performance-based fee must reach a pre-determined and agreed upon high-water mark before the performance-based fee is charged.

Performance based fee arrangements of HPWA will comply with Section 205(e) of the Investment Advisers Act of 1940. According to Section 205(e) (see Rule 205-3 thereunder), only natural individual clients meeting the SEC's definition of "qualified clients" may enter into agreements providing for performance-based compensation to HPWA. A natural person or company must meet the following conditions to be considered a qualified client:

- Have at least \$1,000,000 under management with HPWA at the time the client enters into an agreement with HPWA; or
- Provide documentation to HPWA so that HPWA will reasonably believe the client has either a net worth of \$2,100,000 or is a qualified purchaser under Section 2(a)(51)(A) of the Investment Company Act.

### **Item 7 – Types of Clients**

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HPWA offers investment advisory services to individuals, high-net-worth individuals as well as to pension and profit-sharing plans. The assets managed and each type of Client is referenced on HPWA's Form ADV Part 1A. These amounts may change over time and are updated at least annually by HPWA. We do not impose a minimum investment amount or minimum account level; however, clients are required to execute an agreement for services.

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

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#### **A. Methods of Analysis**

HPWA employs fundamental analysis in developing investment strategies for its Clients. Research and analysis from HPWA are derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Investments are deemed suitable if they meet certain criteria to indicate that they are a strong investment. While this type of analysis helps HPWA in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. HPWA monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on HPWA's review process are included below in Item 13 – Review of Accounts.

As noted above, HPWA generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. HPWA will typically hold all or a portion of a security for more than a year but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, HPWA may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

#### **B. Risk of Loss**

Investing in securities involves certain risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. HPWA will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. HPWA shall rely on the financial and other information provided by the Client or their designees without the

duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform HPWA of any changes in financial condition, goals or other factors that may affect this analysis.

Many of the risks associated with a particular strategy are communicated to each Client in advance of investing Client accounts. HPWA will work with each Client to help determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with HPWA's strategies:

#### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

#### Exchange Traded Funds (ETF) Risks

The performance of ETFs is subject to market risk, liquidity risk, political risk and business risk among other risks. All of these risks involve the possible loss of principal. The price of an ETF may or may not directly fluctuate with the price of the underlying securities that make up the fund. In addition, the price of an ETF will fluctuate based upon market movements and may disassociate from the index being tracked ("Tracking Error").

#### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily; therefore, a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with HPWA.**

### **Item 9 – Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving HPWA or any of its Supervised Persons.** HPWA and its investment adviser representatives value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) with searching by our firm name or our CRD# 175335.

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

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#### Broker-Dealer Affiliation

As noted in Item 5, certain investment adviser representatives are also registered representatives of M.S. Howells & Company (MSH). In one's separate capacity as a registered representative, investment adviser representatives will typically receive commissions for the implementation of recommendations for commissionable transactions. Investment adviser representatives are limited to offer products made available at MSH. Clients are not obligated to implement any recommendation provided by an investment adviser representative. Neither HPWA nor its investment adviser representatives will earn ongoing investment advisory fees in connection with any services implemented in an investment adviser representative's separate capacity as a registered representative. Other suitable brokerage products may be available through another broker-dealer.

#### Insurance Agency Affiliations

As noted in Item 5, certain Investment adviser representatives are also licensed insurance professionals. Implementations of insurance recommendations are separate and apart from one's role with HPWA. As an insurance professional, an Advisory Person may receive customary commissions and other related revenues from the various insurance companies whose products are sold. An Advisory Person is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to

implement any recommendations made by investment adviser representatives or HPWA. Other suitable insurance products may be available through another insurance provider.

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

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

HPWA has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with HPWA (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. HPWA and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of HPWA’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (858) 263-1675 or via email at [russ.Hall@hallpwa.com](mailto:russ.Hall@hallpwa.com).

### **B. Personal Trading with Material Interest**

HPWA allows its Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. HPWA does not act as principal in any transactions. In addition, HPWA does not act as the general partner of a fund or advise an investment company. HPWA does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

HPWA allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by HPWA requiring reporting of personal securities trades by its Supervised Persons for review by a delegate or CCO. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

### **D. Personal Trading at Same Time as Client**

While HPWA allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will HPWA, or any Supervised Person of HPWA, transact in any security to the detriment of any Client.**

## **Item 12 – Brokerage Practices**

### **A. Recommendation of Custodian[s]**

HPWA does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer or custodian (herein the “Custodian”) to safeguard Client assets and authorize HPWA to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, HPWA does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Although we do not have discretion to select the broker/dealer, we will recommend, and in some cases required, the use of a particular broker/dealer to serve as Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by HPWA and will not incur any extra fee or cost associated with using a Custodian not recommended by HPWA. However, HPWA may be limited in the services it can provide if the recommended Custodian is not utilized. HPWA may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation, and/or the

location of the Custodian's offices. However, HPWA may be limited in the services it can provide if the recommended Custodian is not engaged.

HPWA recommends, and in some cases requires, that Clients establish their account[s] at Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer and member SIPC. Schwab will serve as the Client's "qualified custodian". HPWA maintains an institutional relationship with Schwab, whereby HPWA receives economic benefits from Schwab. For additional information, please see Item 14 below. Following are additional details regarding the brokerage practices of HPWA:

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with the broker-dealer/custodians in exchange for research and other services. HPWA does not participate in soft dollar programs sponsored or offered by any broker- dealer/custodian. However, HPWA receives certain economic benefits from the Custodian. Please see Item 14 below.

**2. Brokerage Referrals** - HPWA does not receive any compensation from any third-party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis", where HPWA will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s] at the Custodian. HPWA will not engage in any principal transactions (i.e., trade of any security from or to HPWA's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). HPWA will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

## **B. Aggregating and Allocating Trades**

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The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable execution possible considering such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. HPWA will execute its transactions through the Custodian selected by the Client. HPWA may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Russell M. Hall, Managing Director and Chief Compliance Officer of HPWA.

### **B. Causes for Reviews**

In addition to the securities monitoring noted in Item 13.A. above, each Client account shall be reviewed at least annually. Reviews may be conducted more frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account[s]. The Client is encouraged to notify HPWA if changes occur in the Client's personal financial situation that might materially affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's

website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. HPWA may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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##### **A. Compensation Received by HPWA**

HPWA will generally recommend that Clients establish their account[s] at Schwab, as described in item 12 above. Schwab will serve as the Client's "qualified custodian". HPWA maintains an institutional relationship with Schwab, whereby HPWA receives economic benefits from Schwab. Please see Item 12 above for additional information.

##### Participation in Institutional Advisor Platform

HPWA has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like HPWA. As a registered investment advisor participating on the Schwab Advisor Services platform, HPWA receives access to software and related support without cost because HPWA renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit HPWA and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, HPWA endeavors to always put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a potential conflict of interest since these benefits may influence HPWA's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, HPWA may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, HPWA may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

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*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, HPWA receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist HPWA in effectively managing accounts for its Clients but may not directly benefit all Clients.

*Services that May Only Benefit HPWA* – Schwab also offers other services to HPWA that may not benefit the Client, including educational conferences and events, financial start-up support, consulting services and discounts for various service providers. Access to these services creates a financial incentive for HPWA to recommend Schwab, which results in a potential conflict of interest. HPWA believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

HPWA is incentivized to utilize the brokerage platform and services of Schwab and to recommend that Clients establish accounts with Schwab due to financial support received from Schwab. Through the relationship with Schwab, HPWA received initial support payment for technology, marketing and compliance consulting-related expenses at the signing of the engagement and can receive additional support based on a specific amount of Client assets to be held in custody with Schwab. The receipt of any such compensation creates a financial incentive for HPWA to recommend Schwab as the Custodian for the assets in your account. This conflict is mitigated through disclosure and that Clients are not obligated to utilize HPWA's recommended Custodian. Additionally, as mentioned above, the Client may directly or indirectly receive other benefits through the engagement with Schwab. We encourage you to discuss any such conflicts of interest with us before deciding to custody your assets at Schwab.

##### **B. Client Referrals from Solicitors**

HPWA does not engage paid solicitors for Client referrals.

### **Item 15 – Custody**

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Custody, as it applies to investment advisers, has been defined by the SEC as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

HPWA is given the authority from clients to deduct advisory fees directly from client accounts. Such authority is deemed to be custody as defined by the SEC. HPWA has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client (other than an affiliated person of HPWA) are also notified, in writing of the qualified custodian's name, address and the manner in which the funds or securities are maintained, promptly when the account is opened and following any changes. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative (other than an affiliated person of HPWA), at least quarterly. Clients are strongly urged to compare any statements or reports from HPWA against the account statements received directly from qualified custodians.

### **Item 16 – Investment Discretion**

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HPWA will have written discretionary authority to determine the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by HPWA. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by HPWA will be in accordance with each Client's investment objectives and goals.

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

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HPWA does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. HPWA will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

### **Item 18 – Financial Information**

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Neither HPWA, nor its management, have any adverse financial situations that would reasonably impair the ability of HPWA to meet all obligations to its Clients. Neither HPWA, nor any of its investment adviser representatives, has been subject to a bankruptcy or financial compromise. HPWA is not required to deliver a balance sheet along with this Disclosure Brochure, as HPWA does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

## HALL PRIVATE WEALTH ADVISORS, LLC – PRIVACY POLICY

Effective: February 18, 2019

### Our Commitment to You

Hall Private Wealth Advisors (“HPWA”) is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. HPWA (also referred to as “we”, “our” and “us”) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

HPWA does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors (“RIAs”) must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver’s license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

### What information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client’s personal information.

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We require third parties that assist in providing our services to you to protect the personal information they receive from us.

**How do we share your information?**

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons why we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<p><b>Servicing our Clients</b>                      We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.</p>	Yes	No
<p><b>Marketing Purposes</b>                      HPWA does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where HPWA or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b></p>	No	Not Shared
<p><b>Authorized Users</b>                      Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent[s] or representative[s].</p>	Yes	Yes
<p><b>Information About Former Clients</b>                      HPWA does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.</p>	No	Not Shared

**State-specific Regulations**

California	In response to a California law, to be conservative, we assume accounts with California addresses do not want us to disclose personal information about you to non-affiliated third parties, except as permitted by California law. We also limit the sharing of personal information about you with our affiliates to ensure compliance with California privacy laws.
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**Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (858) 263-1675 or via email at [Russ.Hall@hallpwa.com](mailto:Russ.Hall@hallpwa.com).