

APPLIED WEALTH MANAGEMENT

WWW.APPLIEDWEALTHMGT.COM

5500 MING AVE. SUITE 480

BAKERSFIELD, CA 93309

(818) 726-1842

JERMAINECARTER@APPLIEDWEALTHMGT.COM

FORM ADV PART 2A

FIRM BROCHURE

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This brochure provides information about the qualifications and business practices of Applied Wealth Management Financial & Insurance Services LLC dba Applied Wealth Management. If you have any question about the contents of this brochure, please contact us at (818) 726-1842. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Applied Wealth Management is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

Additional information about Applied Wealth Management is available on the SEC's website www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Applied Wealth Management's CRD number is 318732.

ITEM 2 - MATERIAL CHANGES

We do not have any material changes to report because this is our initial brochure. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide you with a summary of these changes. We will also reference the date of our last annual update to this Brochure.

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ITEM 4 – ADVISORY BUSINESS

OWNERSHIP/ADVISORY HISTORY

Applied Wealth Management Financial & Insurance Services LLC dba Applied Wealth Management (“we”) is a California limited liability company formed in April 2022. We became registered as an investment adviser in March 2022. Al Doss-Carter is our Managing Member and Chief Compliance Officer. Additional information about Mr. Doss-Carter can be found under Item 19 along with his Supplemental Brochure.

ADVISORY SERVICES OFFERED

We are a family-oriented firm that offers a variety of services that include Comprehensive financial planning and ongoing financial planning, portfolio management, and retirement plan consulting as described below.

COMPREHENSIVE FINANCIAL PLANNING

Our comprehensive financial planning service involves a review of your financial situation, goals and risk tolerance. Through a series of personal interviews and/or the use of questionnaires we will collect pertinent data, identify goals, objectives, financial problems, and potential solutions. With this information, we tailor your financial plan and advice we give to you. Our advice may cover any of the following topics: net worth statement; cash flow analysis, tax analysis, insurance and long-term care analysis; tax planning; retirement projection; 401k review; or other needs as identified during our meetings with you. You will receive a written financial plan following our meetings.

ONGOING FINANCIAL PLANNING FOR INDIVIDUALS

With our ongoing financial planning services, we will continuously monitor, update, and manage your written financial plan. The ongoing services will cover your financial situation, current income planning, future income needs, and assets not managed buy us, such as an employer sponsored retirement plan and/or personal investments held in personal brokerage accounts. For employer sponsored retirement plans, we review the employer sponsored plan’s available investment options and make an asset allocation recommendation to you. Similarly, for personal assets held away, we review the assets and propose an asset allocation.

PLEASE NOTE: When we provide financial planning services and the client implements the financial plan through one of our representatives, the representative will receive compensation in the form of a commission or fee. This creates a conflict of interest between the representative and the client. Therefore, when providing financial planning services, we would like clients to note: (a) a conflict exists between the representative’s interests and the interests of the client, (b) the client is under no obligation to act upon the recommendation, and (c) if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the representative.

PORTFOLIO MANAGEMENT AND INSTITUTIONAL STRATEGIST

Our portfolio management services are offered to assist with the ongoing management of your investment accounts. We work with you to understand your investment objectives, time frame

and risk tolerance. Once we have this information, we create an individualized portfolio based on our custom model portfolios or investment strategies created by one or more sub-advisers as described below. We will request discretionary authority from you, which allow us to select the securities and execute transactions without your prior permission. We base our recommendations on a variety of factors including, but not limited to, performance risk, fees, tax efficiency of different investment strategies, as well as your input and preferences regarding the strategies.

When we recommend a sub-adviser, we will have access to third-party Strategists (“Strategist”) where we will match your investment objectives with a Strategist’s style. Once a Strategist is selected, we continue to monitor them to ensure that they adhere to the philosophy and investment style for which they were selected. We will retain discretionary authority to hire and fire the Strategist and when necessary, reallocate your assets to a new Strategist.

The sub-adviser will require discretionary authority to implement the investment instructions specified by us for your account via the purchasing and selling securities. This authority is in addition to the authority you grant us over your accounts. With this authority, the sub-adviser will monitor your account to assess ongoing conformity to the strategy selected by us. If the account varies from the strategy beyond a tolerance specified by the Strategist, the sub-adviser will make appropriate and necessary adjustments to bring your account back into conformity. A complete description of the sub-adviser’s services and fees will be disclosed in the sub-adviser’s ADV Part 2A or equivalent brochure which will be provided to you.

RETIREMENT PLAN CONSULTING

For individuals and business clients, we offer retirement plan consulting services to assist you with the management of your retirement plan(s). These services include but are not limited to: ERISA 3(21) fiduciary services that may include model portfolios for participants, plan benchmarking of fees versus other plans, investment policy statement development and drafting, research on investment managers, investment monitoring, participant education services, request for statement qualification services and requests for proposal services. We will work with you to tailor a program specifically for the plan.

TAILORED SERVICES

The goals and objectives for each client are documented before any investing takes place. Clients may impose restrictions on investing in certain securities or types of securities.

WRAP PROGRAM

Our portfolio management services are only offered through a wrap fee program. With our wrap fee program, you are charged a specified annual fee – not based directly on transactions in your accounts – for investment advisory services, which include portfolio management, third-party manager selections (if offered), custody, brokerage, other costs of execution of your transactions, and other services provided under the wrap fee program, and a portion goes towards third-party brokerage, execution, and custody costs. Please note that the wrap fee is separate and distinct from the fees and expenses charged by mutual funds & ETFs to their shareholders, and it is separate and distinct from fee charged by third-party managers. Unlike in a wrap fee program,

when you're in a non-wrap fee program you pay the custodian a per-trade commission or ticket charge and pay the costs of brokerage, execution, and custody separately. The wrap fee program may cost more or less than purchasing the covered wrap fee services separately, depending on a variety of factors, including the amount of trading in the account and the costs of the services purchased separately. There is no difference in the style of management, or the portfolios and securities used in the Wrap Fee Program as opposed to a Non-Wrap Program.

CLIENT ASSETS MANAGED

As of the date of this brochure, we do not manage client assets as we are a newly formed investment adviser.

ITEM 5 – FEES AND COMPENSATION

FINANCIAL PLANNING SERVICES

Comprehensive financial planning service will be charged on a fixed fee basis ranging from \$2,500 to \$10,000. The fixed fee varies depending on the nature and complexity of your individual circumstances and the number of areas covered by the written financial plan. We will collect the first half of the fee upfront and the second half at the delivery of the written financial plan.

Ongoing financial planning services will be charged a monthly fee ranging between \$200 and \$500. The agreed upon fee will be billed and collected at the beginning of each month, in advance. The monthly fee varies depending on the nature and complexity of your circumstances and the number of areas covered by the written financial plan.

Financial consulting services where we focus only on one or more topics will be charged at an hourly rate up to \$250. At the beginning of engagement, we will provide you with a written estimate of the number of hours we believe the services will take. However, we will track the time we spend collecting your information, analyzing and researching the chosen topics, and the time presenting the findings to you. We will collect the estimated fee upon engagement.

Financial Planning fees are negotiable. Your financial planning agreement will show you what you will be charged to complete the scope of services as defined in the agreement.

You may terminate this service for any reason within the first five (5) business days after signing an advisory contract, without any cost or penalty. Thereafter, the advisory contract may be terminated at any time by giving ten (10) days' written notice. To cancel the agreement, you must notify us in writing to Applied Wealth Management, 4930 Gosford Road, Apt 267, Bakersfield, CA 93313. Upon receipt of termination, you will receive a prorated refund of any unearned fees based on the percentage of work completed on the plan. For example, if one half of the plan was completed at termination, you will receive a 50% refund. For hourly fees, you will receive a prorated refund based on the number of hours spent.

PORTFOLIO MANAGEMENT AND THIRD-PARTY STRATEGISTS SERVICES

We charge an annual management fee based on a percentage of assets under management in your account. Our maximum annual management fee is 1.25%. The management fee is negotiable.

The fee is calculated and billed quarterly, in advance; the fee will be calculated based on the average daily market value of the assets held in the account during the prior calendar quarter. For example, an account value of \$100,000 is multiplied by 1.25% divided by 365 days equals \$3.42 daily fee ($\$100,000 \times 1.25\% / 365 = \3.42). The sum of the daily fee is then deducted on a quarterly basis, in advance. Cash balances and investments in money market funds held in the account are counted toward the account value and are included in the fee calculations.

When we use the services of a sub-adviser and Strategist, our fee is separate. The sub-adviser's and Strategist fees will be disclosed and acknowledged in the investment management agreement. The maximum sub-adviser's fee is 0.15%. Depending on the Strategist, their fee may range between 0.20% to 1.00%. The fees are calculated and collected at the same time our fee is collected, quarterly in advance. Total fees charged by both parties will not exceed 3% of assets under management per year.

You will be asked to authorize us or the sub-adviser to instruct the custodian to withdraw our management fee and the sub-adviser's fee directly from your account. You may terminate this authorization at any time. Please see Item 15 for additional details regarding fee deduction.

RETIREMENT PLAN CONSULTING SERVICES

We charge an annual fee based on the percentage of assets under management in your qualified plan. Our annual fee is 1.00% and negotiable based on the size of the plan. The management fee is calculated and billed quarterly, in arrears. We will ask you to authorize the plan sponsor, record-keeper or third-party administrator with the ability directly deduct our management fee from your account. The withdrawing party will be disclosed in our ERIA engagement agreement. You will also need to sign a separate agreement with the plan sponsor, record-keeper or third-party administrator.

OTHER FEES AND EXPENSES

Our management fees do not include brokerage commissions, transaction fees, or other related costs and expenses that are normally incurred by you. You may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fee, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of, and in addition to, our fee and we will not receive any portion of these commissions, fees, and costs. For more information about our brokerage practices please see Item 12.

TERMINATION OF SERVICES

You may terminate any service for any reason within the first five (5) business days after signing an advisory contract, without any cost or penalty. Thereafter, the advisory contract may be terminated at any time by giving ten (10) days' written notice. To cancel the agreement, you must notify us in writing at Applied Wealth Management, 5500 Ming Ave., Suite 480, Bakersfield, CA 93309. For fees charged in advance, you will receive a prorated refund of the management fees that are based on the amount of time elapsed during the termination quarter.

For example, if there are 90 days in a quarter and the services was cancelled 45 days into a quarter, you will receive a 50% refund of the quarterly management fee (45 days divided by 90 equals 50%). If permitted by your custodian, the refund will be deposited into the account; otherwise, the refund will be paid by company check directly to you within 30 days of the termination notice.

Comparable Services Disclosure

Clients should note that lower fees for comparable services may be available from other sources.

OTHER SECURITIES COMPENSATION

As established in Item 10.D – Other Industry Affiliations, earning commissions for the sale of insurance products creates a conflict of interest for the firm. The commissions give a financial incentive to recommend and sell you the insurance products. We attempt to mitigate the conflict of interest to the best of our ability by placing your interests ahead of our own and through the implementation of policies and procedures that address the conflict.

ITEM 6 – PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) or provide side by side management.

ITEM 7 – TYPES OF CLIENTS

We offer our services to individuals, high net worth individuals, corporations and other business entities, charities, and pension and profit-sharing plans. We do not require a minimum account size. However, we require a minimum fee of \$1000 a year.

ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

With respect to our recommendation of use of Sub-advisers and third-party Strategists, we attempt to match your individualized needs, goals, and objectives with the Sub-adviser's and Strategist's methods of analysis and investment strategies. Please refer to their ADV Part 2A – Item 8.A for a full description of their methods of analysis and investment strategies.

When we manage your portfolio, we use asset allocation and modern portfolio theory as our methods of analysis and investment strategies. A general description is described below:

Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individuals' goals, risk tolerance and investment horizon. The asset classes typically include equities, fixed-income, international, and cash and equivalents. The risk associated with asset allocation is that each class has different levels of risk and return, so each will behave differently over time. There is no guarantee that diversification among asset classes will grow a portfolio.

Modern portfolio theory proposes that by investing in a predetermined asset mix derived from the efficient frontier (designed to achieve a specific client objective within a certain risk tolerance) and rebalancing with discipline, the portfolio is diversified across the various asset

classes to mitigate unnecessary risk. This also provides for a portfolio that can operate without reliance on market timing and security selection; however, as with all equity investments, positive returns are not guaranteed. In conjunction with investing in a diversified portfolio, each portfolio is constructed to meet specific parameters set forth in the individual client's investment policy statement and/or other documents. These parameters can include – but are not limited to – tax efficiency, concentrated stock positions and management history. Once again, the associated with a diversified portfolio is that each class has different levels of risk and return, so each will behave differently over time and despite being diversified, there is not guarantee that the account will grow.

INVESTMENT RISKS

All investment programs have certain risks that are borne by the client and **investing in securities involves risk of loss that clients should be prepared to bear**. Our goal is to reduce the risk of loss, but not at the expense of portfolio growth. Recommended investment strategies seek to balance risks and rewards to achieve investment objectives. To manage risk, we rebalance model portfolios on an as needed basis to bring the asset allocations back to their intended balances. The client should feel free to ask questions about risks that he or she does not understand; we would be pleased to discuss them.

RECOMMENDED SECURITIES

We use several types of securities in your portfolios including, but not limited to, mutual funds, Exchange Traded Funds (ETFs), closed end funds, stocks, bonds, options, REITs, and limited partnerships. Some of the risk associated with these securities include:

- **Credit Risk:** This is the risk that an issuer of a bond could suffer an adverse change in financial condition that results in a payment default, security downgrade, or inability to meet a financial obligation.
- **Inflation Risk:** This is the risk that inflation will undermine the performance of an investment and/or the future purchasing power of a client's assets.
- **Interest Rate Risk:** The chance that bond prices overall will decline because of rising interest rates.
- **International Investing Risk:** Investing in the securities of non-U.S. companies involves special risks not typically associated with investing in U.S. companies. Foreign securities tend to be more volatile and less liquid than investments in U.S. securities, and may lose value because of adverse political, social or economic developments overseas or due to changes in the exchange rates between foreign currencies and the U.S. dollar. In addition, foreign investments are subject to settlement practices, as well as regulatory and financial reporting standards, that differ from those of the U.S.

- **Manager Risk:** The chance that the proportions allocated to the various securities will cause the client's account to underperform relevant to benchmarks or other accounts with a similar investment objective.
- **Stock Market Risk:** The change that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising stock prices and periods of falling stock prices.
- **Options:** Like other securities – including stocks, bonds, and mutual funds – options carry no guarantees, and a person must be aware that it is possible to lose all of the principal he/she invests, and sometimes more. As an option holder, a person risks the entire amount of the premium they paid. But as an options writer, a person takes on a much higher level of risk. For example, if a person writes an uncovered call, they face unlimited potential loss, since there is no cap on how high a stock price can rise. However, since initial options investments usually require less capital than equivalent stock positions, a potential cash loss as an options investor are usually smaller than if someone bought the underlying stock or sold the stock short. The exception to this general rule occurs when an option is used to provide leverage: Percentage returns are often high, but it is important to remember that percentage losses can be high as well.
- **REIT Market Risk:** REITs have no control over market and business conditions and are vulnerable to market risk and slowdowns. External conditions beyond its control may reduce the value of properties that it acquires, the ability of tenants to pay rent on a timely basis, the amount of rent that can be charged and the ability of borrowers to make loan payments on a timely basis or at all. Cash available for distribution to stockholders can be affected by the tenant's inability to make rent or pay loans.
- **REIT Qualifying Risk:** REITs must be organized and operated and intend to continue to be organized and operated, in a manner that will enable them to qualify as a REIT for federal income tax purposes. No assurance can be given that a REIT qualifies or will continue to qualify as a REIT. If a REIT fails to qualify as a REIT, it will be subject to federal income tax at regular corporate rates. If a REIT fails to qualify the funds available for distribution to investors would be greatly reduced for each of the years involved.
- **REIT Tenant Strength Risk:** REITs revenues are highly dependent on lease payments from its properties and interest payments on the loans it makes. Defaults by tenants or borrowers reduce the cash available for repayment of outstanding debt and distribution to investors. If tenants have multiple properties or borrowers have multiple loans it increases the risk of more than one property or loan going bad if that tenant or borrower defaults. More than one property could become vacant or loans are in default because of the financial failure of one tenant or borrower. Multiple vacancies or defaults can reduce a REITs cash receipts and funds available for distribution and could decrease the value of the affected properties.
- **Interval Funds:** An interval fund is a non-traditional type of closed-end mutual fund that periodically offers to buy back a percentage of outstanding shares from shareholders. Shareholders are not required to sell their shares back to the fund. The risk associated

with an interval fund is the shares do not typically trade on the secondary market, which limits liquidity. Also, fees for interval funds tend to be higher than other types of mutual funds.

ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. These include the following:

- A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which the *firm or supervised person*
1. was convicted of, or pled guilty or nolo contendere (“no contest”) to (a) any *felony*; (b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
 2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
 3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; or
 4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the *supervised person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.

We have no information applicable to this item.

- B. An administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which the *firm or supervised person*
1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
 2. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation and was the subject of an *order* by the agency or authority
 - i. denying, suspending, or revoking the authorization of the *supervised person* to act in an *investment-related* business;
 - ii. barring or suspending the *supervised person's* association with an *investment-related* business;

- iii. otherwise significantly limiting the *supervised person's investment-related* activities; or
- iv. imposing a civil money penalty of more than \$2,500 on the *supervised person*.

We have no information applicable to this item.

C. *A self-regulatory organization (SRO) proceeding* in which the *firm or supervised person*

- 1. was *found* to have caused an *investment-related* business to lose its authorization to do business; or
- 2. was *found* to have been *involved* in a violation of the *SRO's* rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from *investment-related* activities; or (iii) fined more than \$2,500.

We have no information applicable to this item.

- D. Any other *proceeding* in which a professional attainment, designation, or license of the *supervised person* was revoked or suspended because of a violation of rules relating to professional conduct. If the *supervised person* resigned (or otherwise relinquished his attainment, designation, or license) in anticipation of such a *proceeding* (and the adviser knows, or should have known, of such resignation or relinquishment), disclose the event.

We have no information applicable to this item.

ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

BROKER DEALER AFFILIATION

Neither us nor our management persons are affiliated with a broker-dealer.

FUTURES/COMMODITIES FIRM AFFILIATION

Neither us nor our management persons are affiliated with a futures or commodities broker.

OTHER INDUSTRY AFFILIATIONS

Our owner, Mr. Doss-Carter is an independent insurance agent. He may recommend the purchase of insurance products to you. This other business activity pays him commissions that are separate from the fees described in Item 5, above. The commissions give him a financial incentive to recommend and sell you the insurance products. We attempt to mitigate this conflict of interest to the best of our ability by placing your interests ahead of our own and through the implementation of policies and procedures that address the conflict. Additionally, you are informed that you always have the right to choose whether to act on the recommendation and you have the right to purchase recommended insurance through any licensed insurance agent.

RECOMMENDATION OF THIRD-PARTY INVESTMENT ADVISER

We recommend the services of sub-advisers and third-party Strategists; this information can be found under Items 4 and 5. We will ensure that the sub-adviser and Strategists are properly registered or exempt from registration in your state of residence prior to making any recommendation.

ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTION AND PERSONAL TRADING

DESCRIPTION

Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

Our Code of Ethics covers all supervised persons and it describes our high standard of business conduct and fiduciary duty to our clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All supervised persons must acknowledge the terms of the Code of Ethics annually or as amended.

MATERIAL INTEREST IN SECURITIES

We do not recommend to clients, buy or sell for client accounts, securities in which we have material financial interest.

INVESTING IN OR RECOMMENDING THE SAME SECURITIES

Our staff is permitted to engage in personal securities transactions. These transactions create potential conflicts of interest if they were to trade in advance in a security that is owned by you or considered for purchase or sale on your behalf. We have adopted policies and procedures that are reasonably designed to effect transactions for you in a manner consistent with the fiduciary duty owed to each client. Our staff who buys and sells the same securities bought or sold for a client may do so only if they comply with the firm's written policies and procedures.

ITEM 12 – BROKERAGE PRACTICES

RECOMMENDATION CRITERIA

We do not maintain custody of client assets. Your assets will be maintained in an account at a "qualified custodian," which is generally a broker-dealer or bank. When we manage your accounts, we recommend that you use Charles Schwab & Co., Inc., ("Schwab") a registered broker-dealer, member of FINRA/SIPC, as the qualified custodian. We are independently owned and operated and not affiliated with Schwab.

Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as the custodian/broker, you will decide whether to do so and open an account with Schwab by entering into an account agreement directly with them; we do not open the account for you but will assist you with the process.

Brokerage and custodian recommendations are handled by the Sub-adviser and Strategists. Please refer to their ADV Part 2A, Item 12 for additional information.

When we recommend a Sub-adviser or Strategist, brokerage and custodian recommendations are handled by the Sub-adviser and Strategists. Please refer to their ADV Part 2A, Item 12 for additional information.

HOW WE SELECT BROKERS/CUSTODIANS TO RECOMMEND

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

- Combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for a client's account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.);
- Availability of investment research and tools that assist us in making investment decisions;
- Quality of services;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- Reputation, financial strength, and stability of the provider;
- Prior service to us and our other clients; and
- Availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us from Schwab").

For our client accounts it maintains, Schwab generally does not charge the client separately for custody services but is compensated by charging the client commissions or other fees on trades that it executes or that settle into the Schwab account. For some accounts, Schwab may charge the client a percentage of the dollar amount of assets in the account in lieu of commissions. In addition to commissions or asset-based fees, Schwab charges the client a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the clients' Schwab account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, we have Schwab execute most trades for the account.

PRODUCTS AND SERVICES AVAILABLE TO US FROM SCHWAB

Schwab Advisor Services™ (formerly Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide our clients and us with access to institutional brokerage services—trading, custody, reporting, and related services—many of

which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Here is a more detailed description of Schwab's support 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 assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit the client and the client's account.

Services That May Not Directly Benefit the Client. Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or the client's account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

Services That Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events;
- Technology, compliance, legal, and business consulting;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants, and insurance providers.

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

We place trades for our clients' accounts subject to our duty to seek best execution and our other fiduciary duties. We may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, but this practice may result in additional costs to clients so that

we are more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers.

RESEARCH AND SOFT DOLLARS

"Soft dollars" are defined as a form of payment investment firms can use to pay for goods and services such as news subscriptions or research. When an investment firm gives its business to a particular brokerage firm, the brokerage firm in return can agree to use some of its revenue to pay for these types of services. For further information regarding research and "Soft dollars" we receive Schwab, please see Item 12 above and Item 14 for economic benefits.

BROKERAGE FOR CLIENT REFERRALS

We do not receive client referrals or any other incentive from any broker-dealer or custodian.

DIRECTED BROKERAGE

We do not allow directed brokerage for client referrals.

TRADE AGGREGATION

We may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and your account will be deemed to have purchases or sold its proportionate share of the securities involved at the average price obtained. We may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities or the discretionary or non-discretionary nature of the trades. If we do not aggregate orders, some clients purchasing securities around the same time may receive less favorable price than other clients. This means that the practice of not aggregating may cost you more money.

ITEM 13 – REVIEW OF ACCOUNTS

PERIODIC REVIEWS

Our owner, Mr. Doss-Carter, reviews your portfolio's and account held with the Sub-adviser and Strategists on a monthly basis. We also attempt to meet with you either in person, by telephone or by a zoom meeting semi-annually.

For ongoing financial planning, we monitor and review your plan monthly and will update the plan we deemed necessary.

OTHER REVIEWS

Additional reviews are conducted periodically depending on market conditions, economic or political events, or by changes in a client's financial situation (such as retirement, termination of employment, physical move or inheritance).

REPORTS

You will receive a written financial plan if you engage in our Comprehensive Financial Planning or Ongoing Financial Planning services. You will also receive at least quarterly account statements

from the account's custodian. We urge clients to carefully review these statements.

ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

OTHER COMPENSATION

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab's products and services to us is not based on our giving particular investment advice, such as buying particular securities for you.

CLIENT REFERRALS

We do not pay client referrals or use solicitors.

ITEM 15 – CUSTODY

Your funds, securities, and accounts will be held at a qualified custodian, Charles Schwab & Co., Inc. We do not take possession of your assets. However, you will either authorize us, the Sub-adviser and/or Strategist with the ability to instruct the custodian to deduct our management fee directly from your account. This authorization applies to our management fee only. This is considered a limited form of custody. With limited form of custody, each time a fee is deducted from an account, either we, the Sub-adviser and/or Strategist will send you an invoice or statement itemizing the fee, including the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee. At least quarterly account statements from the custodian that holds and maintains your assets will also be provided to you showing all disbursements for the custodian account, including amount of the advisory fees. We urge you to compare the account statements you receive from the qualified custodian with invoices you receive from us.

ITEM 16 – INVESTMENT DISCRETION

We offer discretionary investment management services. In order to grant us discretionary power over the account, you must sign the investment management agreement. Our investment management agreement contains a limited power of attorney that allows us to select the securities to be bought and sold and the amount of securities to be bought and sold in your account. It also allows us to place each trade without your prior approval. We have the ability to delegate our discretionary power to the Sub-adviser and Strategist. However, we will retain the discretionary authority to establish and/or terminate a relationship with the Sub-adviser and Strategists for the purposes of managing the account or a portion of the account determined by us. The custodian may also request that you sign that custodian's limited power of attorney. This varies with each custodian. We will discuss all limited powers of attorney prior to their execution. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for your account, and any other investment policies, limitations or restrictions.

ITEM 17 – VOTING CLIENT SECURITIES

We do not vote proxy votes for any client. All proxy materials are mailed or emailed directly to the client from the custodian. Any proxy materials received by us will be forwarded to clients for response and voting. In the event the client has a question about a proxy solicitation, the client should feel free to contact us.

ITEM 18 – FINANCIAL INFORMATION

BALANCE SHEET

We do not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to provide a balance sheet.

FINANCIAL CONDITION

We are required in this Item to provide you with certain financial information or disclosures about our financial condition if we have a financial commitment that impairs our ability to service you. We do not have a financial commitment that impairs our ability to service our clients.

BANKRUPTCY

Mr. Doss-Carter had been the subject of Chapter 7 bankruptcy proceeding on January 25, 2013 which was discharged on April 29, 2013.

ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS

We have one principal executive officer Al Doss-Carter, (“Mr. Doss-Carter”). Mr. Doss-Carter’s biographical information is provided in the attached Brochure Supplement document.

Mr. Doss-Carter is required to disclose additional information if he has other business activities. He is a licensed independent insurance agent and may receive commissions for the sale of insurance products. This activity and any conflicts of interest associated therewith are discussed in Item 10 of this brochure and his brochure supplement.

Our management persons do not receive performance-based fees or have a relationship or arrangement with an issuer of securities.

Additionally, we have NOT been involved in any of the events listed below:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
2. An award or other being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Conflicts of Interest Disclosure

Pursuant to California code of Regulations Section 260.238(k), in this Part 2, the firm, its representatives and employees have disclosed all material conflicts of interests that could reasonably be expected to impair the rendering of unbiased and objective advice. The conflicts of interest may include but are not limited to: (a) compensation arrangements connected with advisory services which are in addition to the advisory fees, (b) other financial industry activities or affiliations, or (c) participation of interest in client transactions.

Business Continuity Plan

We have a Disaster Recovery and Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, and/or services.

The plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The plan also covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, telephone communications line outage, internet outage, railway accident and aircraft accident. Electronic files are backed up daily and stored on encrypted cloud service provided.

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. The client's custodian may also assist, depending on the type of disaster, with back office and trading assistance for accounts held in custody by them. The client's custodian has its own disaster recovery plans with backup facilities in different parts of the U.S. It is the firm's intention to contact all clients within five days of a disaster that dictates moving its office to an alternate location for a period of time.