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**July 10, 2024**

This Brochure provides information about the qualifications and business practices of West Wealth Group, LLC ("West Wealth Group", "us", "we", "our"). If you have any questions about the contents of this Brochure, please contact us at (949) 682-9105 or via email at [michael@westwealthgroup.com](mailto:michael@westwealthgroup.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about West Wealth Group is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. The CRD number for West Wealth Group is 316644. The SEC's web site also provides information about any persons affiliated with West Wealth Group who are registered, or are required to be registered, as Investment Adviser Representatives of West Wealth Group.

West Wealth Group is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply any level of skill or training.

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

Since our last annual updating amendment dated March 29, 2024, we have not made additional material changes. This update is to correct grammar errors. .

To request a complete copy of our Form ADV Part 2A Brochure at any time, without charge, contact [michael@westwealthgroup.com](mailto:michael@westwealthgroup.com) or your financial professional.

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## Item 4 Advisory Business

### Our Advisory Business

West Wealth Group, LLC, d/b/a BML Wealth Management, Ensemble Wealth Management, and Yack Wealth Management (together "West Wealth Group", "WWG", "us", "we", "our") is a registered investment adviser with the Securities and Exchange Commission ("SEC"). The Adviser was founded in 2021 by Brian Levy and Michael Clark, CFP<sup>(r)</sup> and is owned by the Brian and Ruth Levy Living Trust and the Michael R. Clark Trust.

### Services

West Wealth Group offers asset management and financial planning and consulting services, with an emphasis on building portfolios designed to meet the needs of our clients. Our focus is on helping you develop and execute plans that are designed to build and preserve your wealth. We are available during normal business hours either by telephone, email, or in person by appointment to answer your questions. Services are offered on either discretionary or non-discretionary basis. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

### Asset Management Services

As part of the active asset management process, we will meet with you to discuss your financial circumstances, investment goals and objectives, and to determine your risk tolerance. We will ask you to provide statements summarizing current investments, income and other earnings, recent tax returns, retirement plan information, other assets and liabilities, wills and trusts, insurance policies, and other pertinent information.

As part of our asset management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more model portfolios we have developed using funds offered by an unaffiliated investment manager. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a client from investing in certain models that are managed by our firm.

These services allow us to provide our clients with operational and advisory efficiencies which may create a conflict of interest since the models use mutual funds and exchange traded funds ("ETF") funds affiliated with the unaffiliated investment manager. It is possible that there are other mutual funds and ETF funds not included in these models that may be in our clients' best interest. In all cases we strive to recommend only products and services that we believe are in your best interest.

Accounts invested in these investment models that include mutual funds may be subject to short-term redemption fees imposed by custodians and/or the mutual fund sponsor. West Wealth Group is not responsible for these short-term redemption fees. They are the responsibility of the client.

We will work with you on an ongoing basis to evaluate your asset allocation as well as rebalance your portfolio to keep it in line with your goals as necessary. We will be reasonably available to help you with questions about your account.

*Please note that pursuant to the investment advisory agreement you are obligated to notify us promptly when your financial situation, goals, objectives, or needs change.*

You shall have the ability to impose reasonable restrictions on the management of your account, including the ability to instruct us not to purchase certain mutual funds, stocks or other securities. These restrictions may be a specific company security, industry sector, asset class, or any other restriction you request. We have the right to refuse your restrictions if we feel they are too burdensome to adequately manage your account.

We typically recommend investments in mutual funds and exchange-traded funds ("ETFs") but if other investment types meet your investment objectives and risk tolerance, we could also recommend investments in individual stocks and bonds, other fixed income investments, alternative asset classes or investments, real estate investment trusts (REITs), private equity investments, fixed and variable annuities, and structured products. If you currently own these or other investment types, we will review them during our initial meetings with you and will take them into account during the implementation of your selected investment strategy.

Under certain conditions, securities from outside accounts may be transferred into your advisory account; however, we may recommend that you sell any security if we believe that it is not suitable for the current recommended investment strategy. Additionally, trading may be required to meet initial allocation targets, after substantial cash deposits that require investment allocation, and/or after a request for a withdrawal that requires liquidation of a position.

Periodically, your account may need to be rebalanced or reallocated in order to reestablish the targeted percentages of your initial asset allocation. This rebalancing or reallocation will occur as required or pursuant to the schedule we have determined together.

You will be responsible for all tax consequences resulting from the sale of any security, rebalancing or reallocation of the account. You are responsible for any taxable events in these instances. We are not tax professionals and do not give tax advice. However, at your request we will work with your tax professionals to assist you with tax planning.

You will be notified of any purchases or sales through trade confirmations and statements that are provided by the custodian. These statements list the total value of the account, itemize all transaction activity, and list the types, amounts, and total value of securities held. You will at all times maintain full and complete ownership rights to all assets held in your account, including the right to withdraw securities or cash, proxy voting and receiving transaction confirmations.

### **Financial Planning & Consulting Services**

Financial planning is included at no additional cost for clients that participate in our Asset Management Services. We also offer financial planning and consulting as standalone services.

These services are a comprehensive relationship which incorporates many different aspects of your financial status into an overall plan that meets your goals and objectives. The financial planning relationship consists of face-to-face or virtual meetings and ad hoc meetings with you and/or your other advisors (attorneys, accountants, etc.) as necessary.

In performing financial planning services, we typically examine and analyze your overall financial situation, which may include issues such as taxes, insurance needs, overall debt, credit, business planning, retirement savings and reviewing your current investment program. Our services may focus on all or only one of these areas depending upon the scope of our engagement with you.

It is essential that you provide the information and documentation we request regarding your income, investments, taxes, insurance, estate plan, etc. We will discuss your investment objectives, needs and goals, but you are obligated to inform us of any changes. We do not verify any information obtained from you, your attorney, accountant or other professionals.

If you engage us to perform these services, you will receive a written agreement detailing the services, fees, terms and conditions of the relationship. You will also receive this Brochure. You are under no obligation to implement recommendations through us. You may implement your financial plan through any financial organization of your choice.

Clients are under no obligation to implement our recommendations. If you are a standalone financial planning and consulting client who decides to engage us for asset management services, we will help you open a custodial account(s), as needed. The funds in your account will generally be held in a separate account, in your name, at an independent custodian, and not with us. We recommend using Charles Schwab & Co., Inc.

### **ERISA Plan Services**

West Wealth Group provides both 3(21) and 3(38) services to Employee Retirement Income Security Act of 1974, as amended ("ERISA"), plans. 3(21) and 3(38) fiduciaries are both individuals or entities that provide investment expertise to ERISA plan sponsors, but there are some differences between services. At a high level, a 3(21) fiduciary is an investment adviser and 'co-fiduciary' with the company fiduciary (business owner, board, or named fiduciary). They provide investment recommendations on how to build the fund lineup and monitor the investment options. But they don't have any decision-making or discretionary authority. A 3(38) fiduciary, on the other hand, will actually make the decisions about what to include in the plan menu, implement it, and then manage the investments on an ongoing basis. Further details on our service offering for each fiduciary service are included below.

#### *Non-Discretionary 3(21) Fiduciary Services*

Through our non-discretionary 3(21) fiduciary services, the Adviser is appointed by the plan sponsor or trustee to determine a recommended lineup of investments to be included in the Plan. These recommendations are presented to the Plan Sponsor, who has the ultimate responsibility to accept or reject the recommendation. The Adviser will not have any further responsibility to communicate instructions to any third-party, including the custodian, and/or third-party administrator. The Adviser will not communicate directly with the recordkeeper regarding administrative and recordkeeping matters arising under the Adviser's investment advisory agreement with the Plan Sponsor, or more generally about the recordkeeper's services to the *Plan*.

West Wealth Group offers 3(21) services based on each client's need. Services are included in the advisory agreement.

We will conduct research to determine appropriate investment selections and allocations and to project potential ranges of returns and market values over various time periods and using various cash flows to assist the Plan Sponsor in determining the appropriate investment options for the retirement plan.

The data used to select the investment options is based on estimated, forward-looking performance of various asset classes and subclasses to create our forward-looking capital markets assumptions (e.g., expected return, expected standard deviation, correlation, etc.). Past performance and the return

estimates of the asset classes and the indices that correspond to these asset classes may not be representative of actual future performance. Actual results could differ, based on various factors including the expenses associated with the management of the portfolio, the portfolio's securities versus the securities comprising the various indices and general market conditions. Before a specific investment is selected, other factors such as economic trends, which may influence the choice of investments and risk tolerance, should be considered. The Adviser has the responsibility and authority to recommend the investment line up including evaluating investment managers and mutual fund companies, individual mutual funds, and money market funds which may be retained or replaced. The Plan Sponsor has the responsibility and authority to make the final decision regarding what investments to include and when to add or exclude a specific security.

The Adviser encourages plan sponsors to consult with other professional advisors since we do not provide tax or legal advice that may affect asset classes or allocations. The Adviser will apply any guidelines the client supplies, as directed, however, compliance with these restrictions or guidelines, is the client's responsibility.

#### *Discretionary 3(38) Fiduciary Services*

When a client engages West Wealth Group to perform "3(38) Fiduciary Services", the Adviser acts as an "investment manager" (as defined in Section 3(38) of ERISA) with respect to the performance of discretionary fiduciary investment services. Under this arrangement the Adviser is appointed by the Plan Sponsor or trustee and accepts discretion over plan assets and assumes full responsibility and liability for fiduciary functions concerning decisions related to the plan assets.

Under this arrangement the Adviser is appointed by the plan sponsor or trustee and accepts discretion over plan assets and assumes full responsibility and liability for fiduciary functions concerning decisions related to the plan assets. The Adviser will review the investment options available to the Plan through documents provided by the Plan Sponsor and notifies the Plan's record-keeper and/or the Plan Sponsor the Adviser's instructions to add, remove and/or replace these specific investment options offered to Plan participants and/or used for administrative purposes under the Plan, according to the criteria set forth in guidelines selected by the Plan Sponsor. The Plan Sponsor retains all authority, responsibility and decision-making for investment options not available on the Plan record-keeper's platform (i.e., "non-core" investment options, such as employer stock, plan loans, self-directed brokerage accounts, frozen guaranteed investment contracts, and life insurance).

West Wealth Group will retain final decision-making authority with respect to removing and/or replacing investments in the core lineup. The Plan Sponsor will not have responsibility to communicate instructions to any third-party, custodian and/or third-party administrator.

The Adviser will also monitor the current managed investment line up including the investment's performance compared to an applicable benchmark. If the Adviser determines that a fund no longer meets the criteria, they will select alternatives and replace them.

#### **IRA Rollover Recommendations**

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially from the rollover of your assets from a retirement account to an account that we manage or provide investment advice, because the assets increase our assets under management and, in turn, our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

#### *Educational Seminars*

We shall hold educational seminars and webinars covering a broad range of investment-related topics. There is no additional fee for this service.

#### *Tax Preparation and Certain Legal Services*

We may choose to offer certain tax preparation and/or trusts and estate planning document preparation services to clients. We will establish maximum amounts for the preparation of taxes and/or the trust and estate planning document preparation per client per year and these will be outlined in your agreement with West Wealth Group. These services will be provided by an unaffiliated CPA or law firm and will be invoiced to us directly and may be paid by either West Wealth Group or your Advisor. This creates a conflict of interest even though we do not share in the preparation fees charged by the CPA or law firm because it encourages clients to increase their assets with our firm. It does not increase the amount of fees we charge you. The services will not be offered to all clients. Typically, the clients that are offered these services by us will have more assets with us than other clients may have.

#### **Wrap Fee**

The Adviser does not sponsor or participate in a third-party sponsored wrap fee program.

#### **Assets Under Management**

As of December 31, 2023, we had \$349,279,398 in discretionary assets under management. We do not have any non-discretionary assets under management.

## **Item 5 Fees and Compensation**

#### **Asset Management Fee Schedule**

West Wealth Group does not impose a minimum account balance for the opening of an account with the Adviser. The fee charged is based upon the amount of money invested and shall range between 0.75% and 1.50% of assets under management. Multiple accounts of immediately-related family members, at the same mailing address, may be considered one consolidated account for billing purposes, at the client's discretion. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. Fees are charged monthly, in advance. Fees will be calculated on the last day of each month, based on the average daily balance for the preceding month. Fees are charged in advance although based on the previous month's average daily balance. Certain accounts will have assets that are excluded from the fee calculation. Typical exclusions from billing include but are not limited to: legacy stock positions, alternative investments, individual bonds, inherited funds, and highly appreciated stock.



The fees shown above are annual fees and may be negotiable based upon certain circumstances. No increase in the annual fee shall be effective without prior written notification. West Wealth Group believes the advisory fee is reasonable considering the fees charged by other investment advisers offering similar services/programs.

If the portfolio management agreement is executed at any time other than the first day of a calendar month, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the month for which you are a client.

You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the month for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees. In the event the Agreement is terminated, and the Client has advanced any fees which have been unearned as of the date of termination, such unearned fees shall be refunded to the Client. Any fees that are due, but have not been paid, will be billed to the Client and are due immediately.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

#### **Retirement Plan Services Fees**

We charge a negotiable asset-based fee that ranges between 0.25% to 1.5% of assets under management for either Discretionary 3(38) Fiduciary Services or Non-Discretionary 3(21) Fiduciary Services programs (the "Programs"). Advisory fees for the plan are paid to us by the plan, or directly from the plan sponsor, or in some cases a combination of both. These fees are generally collected by the plan record keeper or vendor and paid directly to our firm. This fee includes services as an ERISA section 3(21) or 3(38) fiduciary with respect to client's plan.

West Wealth Group's advisory agreement with each plan sponsor outlines the timing of fees collected and the process of fee remittal to our firm.

You may also incur fees related to your use of outside service providers including third-party administrators and record keepers. The fee schedule for each outside service provider varies dramatically from service provider to service provider. The service provider's fees will also vary from plan to plan as each plan's structure and characteristics are different from the next.

We believe our services help plan sponsors and plan fiduciaries meet their fiduciary duty to the plan and its participants. As a part of our services, we review the fees of service providers and the transparency of their fees. We will assist the plan sponsors with a review of service providers including the third-party administrator, daily record keeper, and custodian to ensure that their services, along with ours, remain competitive to alternatives that are available.

#### **Automatic Payment of Fees**

The Client agrees to authorize the Custodian to pay directly to West Wealth Group upon receipt of notice, the Account's investment advisory services fee. Fee withdrawals will occur no more frequently than monthly from the Client's Account, unless specifically instructed otherwise by the Client.

The Custodian will send to the Client a statement, at least quarterly, indicating all amounts disbursed from the Account, including the fee paid directly to West Wealth Group. West Wealth Group's access to the Assets of the Account will be limited to trading and the withdrawals authorized above.

### **Third-Party Fees**

Our fees do not include brokerage commissions, transaction fees, and other related costs and expenses. You may incur certain charges imposed by custodians, third-party investment companies and other third parties. These include 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, money market funds and exchange-traded funds (ETFs) also charge internal management fees, which are disclosed in the fund's prospectus. These fees may include, but are not limited to, a management fee, upfront sales charges, and other fund expenses. Certain strategies offered by us may involve investment in mutual funds and/or ETFs. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as "12(b)(1) fees". These 12(b)(1) fees come from fund assets, and thus indirectly from clients' assets. We do not receive any compensation from these fees. All of these fees are in addition to the management fee you pay us. You should review all fees charged to fully understand the total amount of fees you will pay. Services similar to those offered by us may be available elsewhere for more or less than the amounts we charge. Our brokerage practices are discussed in more detail under Item 12 - Brokerage Practices.

### **Other Compensation**

Our IARs may recommend and sell life insurance, Medicare supplements, fixed index annuities, fixed annuities, long-term care insurance and individual and group health insurance. They will receive the usual and customary commissions on these products but they are not included in the advisory fee calculations.

Michael Clark is a licensed real estate salesperson and the owner of Ensemble Realty Group. As such, he may receive normal and customary fees associated with real estate transactions in his independent capacity. These services are separate from investment advisory services offered through West Wealth Group and are governed by a separate agreement. Recommending such services in our advisory capacity presents a conflict of interest because of the compensation that Mr. Clark may receive. However, Clients are under no obligation, contractually or otherwise, to purchase real estate services through Mr. Clark or Ensemble Realty Group.

While our IARs endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving commissions creates a conflict of interest, and may affect their judgment when making recommendations. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that Clients may purchase recommended insurance products from other insurance agents not affiliated with us.

### **Financial Planning and Consulting Fees**

Financial planning is included at no additional cost for clients that participate in our Asset Management Services.

The following fee schedule applies for standalone financial planning and consulting services:

<i>Service</i>	<i>Fee</i>
Hourly Consulting	Negotiable Fee Up To \$500 Per Hour
Financial Planning	Negotiable Fee Between \$2,500 and \$20,000 <i>(for clients without our asset management services)</i>

An estimate for total hours will be determined at the start of the advisory relationship. Fees for West Wealth Group 's comprehensive financial planning and consulting services are negotiable depending upon the nature and complexity of the client's circumstances. A deposit of 50% of the fee is due at the time the agreement is signed. The remainder of the fee is due upon presentation of an investment plan or the rendering of consulting services. Investment plans will be presented to you within 90 days of the contract date, provided that all information needed to prepare the investment plan has been promptly provided to us. We do not accept prepayment of more than \$1,200 in fees per client, six months or more in advance. The financial planning agreement will terminate once you receive the final plan. The Financial Planning and Consulting Agreement will show the fees you will pay.

If the plan is implemented through us, we will receive compensation from the sale of insurance products or advisory services recommended in the financial plan. This compensation would be in addition to the financial planning fee you pay. The fees and expenses you pay for the purchase of these products may be more or less than the expenses you would pay should you decide to implement our recommendations through another investment advisory firm or broker-dealer and are typically determined by the broker- dealer or investment company sponsoring the product. Therefore, a conflict of interest may exist between our interests and your interests since we can recommend products that pay us compensation. We have an incentive to recommend particular products based upon the potential compensation rather than your needs. This potential conflict is addressed in our Code of Ethics.

Based upon your needs, we can also provide consultations throughout the year to advise and counsel you about other financial issues. We can help you with transition planning, major transaction analysis, coordinated with cash flow needs, retirement needs, estate planning needs, income tax planning, life and disability insurance needs, investment needs, and college education planning.

All recommendations developed by us are based upon our professional judgment. We cannot guarantee the results of any of our recommendations.

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

We do not charge any performance-based fees. These are fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7 Types of Clients**

We provide investment advisory services to individuals, high-net-worth individuals, trusts, estates, charitable organizations, and small businesses. We have no minimum account opening balance.

Additionally, the Adviser provides investment advisory services to the following types of retirement plans:

- Tax-qualified retirement plans (both defined benefit and defined contribution) that are intended to receive favorable tax-treatment under section 401(a) or 403(b) of the IRC
- Non-qualified executive deferred compensation plans
- 401(k)s, IRAs and IRA rollovers
- Other Types of Retirement plans may be introduced to the programs.

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

### **Methods of Analysis**

We use Fundamental Analysis, Modern Portfolio Theory, Technical Analysis, Asset Allocation, and Cyclical Analysis as part of our overall investment management discipline; the implementation of these analyses as part of our investment advisory services to you may include any, all or a combination of the following:

### **Fundamental Analysis**

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the underlying factors that affect a company's actual business and its future prospects. Fundamental analysis about using real data to evaluate a security's value. It refers to the analysis of the economic well-being of a financial entity as opposed to only its price movements.

The end goal of performing fundamental analysis is to produce a value that we can compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

### **Modern Portfolio Theory**

We also use Modern Portfolio Theory to help select the investments we use in your account.

Modern Portfolio Theory tries to understand the market as a whole, rather than looking for what makes each investment opportunity unique. Investments are described statistically, in terms of their expected long-term return rate and their expected short-term volatility. The volatility is equated with "risk," measuring how much worse than average an investment's bad years are likely to be. The end goal is to identify your acceptable level of risk tolerance, and then to find a portfolio with the maximum expected return for that level of risk.

### **Technical Analysis**

Technical Analysis is a technique that attempts to determine a security's value by developing models and trading rules based upon price and volume transformation. Technical analysis assumes that a market's price reflects all relevant information so the analysis focuses on the history of a security's trading behavior rather than external drivers such as economic, fundamental and news events. The practice of technical analysis incorporates the importance of understanding how market participants perceive and act upon relevant information rather than focusing on the information itself. Ultimately, technical analysts develop trading models and rules by evaluating factors such as market trends, market participant behaviors, supply and demand and pricing patterns and correlations.

As with other types of analysis, the predictive nature of technical analysis can vary greatly; models and rules are often modified and updated as new patterns and behaviors develop. Past performance is not an indicator of future return.

### **Targeted Asset Allocation**

We combine relevant analyses to determine asset allocation strategies. Ten targeted asset allocation model portfolios covering everything from conservative income to very aggressive growth-oriented approaches have been compiled by us. We will assign you a targeted portfolio that meets your goals and time horizon, while addressing the level of risk you are comfortable assuming. The strategic model portfolio allocation remains constant; your specific portfolio model may change infrequently to reflect shifts in your risk tolerance and goals. We screen and select funds and securities to be added to or removed from the model portfolio on a regular basis. Rebalancing will occur as needed based on the review of your financial situation.

## **Cyclical Analysis**

While we do not attempt to time the market, we may use cyclical analysis in conjunction with other strategies to help determine if shifts are required in your investment strategies depending upon long and short-term trends in financial markets and the performance of the overall national and global economy.

## **Investment Strategies**

In order to perform this analysis, we use many resources, such as:

- Blackrock
- Custodian and Third-Party Research
- Annual reports, prospectuses, filings
- Company press releases and websites

The investment strategies we use to implement any investment advice given to you include, but are not limited to:

- Long term purchases -securities held at least a year
- Short term purchases - securities sold within a year
- Trading - securities sold within 30 days
- Short sales
- Margin Transactions

## **Risk of Loss**

We cannot guarantee our analysis methods will yield a return. In fact, a loss of principal is always a risk. Investing in securities involves a risk of loss that you should be prepared to bear. You need to understand that investment decisions made for your account by us are subject to various market, currency, economic, political and business risks. The investment decisions we make for you will not always be profitable nor can we guarantee any level of performance.

A list of all risks associated with the strategies, products and methodology we offer are listed below:

## **Bond Fund Risk**

Bond funds generally have higher risks than money market funds, largely because they typically pursue strategies aimed at producing higher yields of the risks associated with bond funds include:

- Call Risk - The possibility that falling interest rates will cause a bond issuer to redeem—or call—its high-yielding bond before the bond's maturity date.
- Credit Risk — the possibility that companies or other issuers whose bonds are owned by the fund may fail to pay their debts (including the debt owed to holders of their bonds). Credit risk is less of a factor for bond funds that invest in insured bonds or U.S. Treasury bonds. By contrast, those that invest in the bonds of companies with poor credit ratings generally will be subject to higher risk.
- Interest Rate Risk — the risk that the market value of the bonds will go down when interest rates go up. Because of this, you can lose money in any bond fund, including those that invest only in insured bonds or Treasury bonds.
- Prepayment Risk — the chance that a bond will be paid off early. For example, if interest rates fall, a bond issuer may decide to pay off (or "retire") its debt and issue new bonds that pay a lower rate. When this happens, the fund may not be able to reinvest the proceeds in an investment with as high a return or yield.

## **Fundamental Analysis Risk**

Fundamental analysis, when used in isolation, has a number of risks:

- There are an infinite number of factors that can affect the earnings of a company, and its stock price, over time. These can include economic, political and social factors, in addition to the various company statistics.
- The data used may be out of date.
- It is difficult to give appropriate weightings to the factors.
- It assumes that the analyst is competent.
- It ignores the influence of random events such as oil spills, product defects being exposed, and acts of God and so on.

## **Modern Portfolio Theory Risk**

Modern Portfolio Theory tries to understand the market as a whole and measure market risk in an attempt to reduce the inherent risks of investing in the market. However, with every financial investment strategy there is a risk of a loss of principal. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

## **Cyclical Analysis Risk**

Looking at market cycles in conjunction with other investment strategies can be useful when making investment decisions. However, market cycles are not always predictable. Each financial investment strategy has benefits and risks. Not every investment decision will be profitable, and there can be no guarantee of any level of performance.

## **Exchange-Traded Funds ("ETF") Risk**

Most ETFs are passively managed investment companies whose shares are purchased and sold on a securities exchange. An ETF represents a portfolio of securities designed to track a particular market segment or index. ETFs are subject to the following risks that do not apply to conventional funds:

- The market price of the ETF's shares may trade at a premium or a discount to their net asset value;
- An active trading market for an ETF's shares may not develop or be maintained; and
- There is no assurance that the requirements of the exchange necessary to maintain the listing of an ETF will continue to be met or remain unchanged

## **Insurance Product Risk**

The rate of return on variable insurance products is not stable, but varies with the stock, bond and money market subaccounts that you choose as investment options. There is no guarantee that you will earn any return on your investment and there is a risk that you will lose money. Before you consider purchasing a variable product, make sure you fully understand all of its terms. Carefully read the prospectus. Some of the major risks include:

- **Liquidity and Early Withdrawal Risk** - There may be a surrender charges for withdrawals within a specified period, which can be as long as six to eight years. Any withdrawals before a client reaches the age of 59 ½ are generally subject to a 10 percent income tax penalty in addition to any gain being taxed as ordinary income.
- **Sales and Surrender Charges** - Asset-based sales charges or surrender charges. These charges normally decline and eventually are eliminated the longer you hold your shares. For example, a surrender charge could start at 7 percent in the first year and decline by 1 percent per year until it reaches zero.
- **Fees and Expenses** - There are a variety of fees and expenses which can reach 2% and more such as:

- Mortality and expense risk charges
  - Administrative fees
  - Underlying fund expenses
  - Charges for any special features or riders.
- Bonus Credits - Some products offer bonus credits that can add a specified percentage to the amount invested ranging from 1 percent to 5 percent for each premium payment. Bonus credits, however, are usually not free. In order to fund them, insurance companies typically impose high mortality and expense charges and lengthy surrender charge periods.
  - Guarantees - Insurance companies provide a number of specific guarantees. For example, they may guarantee a death benefit or an annuity payout option that can provide income for life. These guarantees are only as good as the insurance company that gives them.
  - Market Risk - The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
  - Principal Risk - The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

### **Mutual Funds Risk**

The following is a list of some general risks associated with investing in mutual funds.

- Country Risk - The possibility that political events (a war, national elections), financial problems (rising inflation, government default), or natural disasters (an earthquake, a poor harvest) will weaken a country's economy and cause investments in that country to decline.
- Currency Risk -The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.
- Income Risk - The possibility that a fixed-income fund's dividends will decline as a result of falling overall interest rates.
- Industry Risk - The possibility that a group of stocks in a single industry will decline in price due to developments in that industry.
- Inflation Risk - The possibility that increases in the cost of living will reduce or eliminate a fund's real inflation-adjusted returns.
- Manager Risk -The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of stated objectives.
- Market Risk -The possibility that stock fund or bond fund prices overall will decline over short or even extended periods. Stock and bond markets tend to move in cycles, with periods when prices rise and other periods when prices fall.
- Principal Risk -The possibility that an investment will go down in value, or "lose money," from the original or invested amount.

### **Private Investments Risk**

Private investments may be introduced to a limited number of clients for whom the Adviser reasonably believes the investment is appropriate given the client's net worth, investable assets, current portfolio composition, investment objectives, liquidity needs, and risk considerations. Through our due diligence process, we will identify appropriate private investment vehicles for a client's review and consideration. These investments generally involve additional material risks, including liquidity constraints and a lack of transparency, especially with the various fees.

### **Stock Fund Risk**

Overall "market risk" poses the greatest potential danger for investors in stocks funds. Stock prices can fluctuate for a broad range of reasons, such as the overall strength of the economy or demand for particular products or services.

### **Structured Notes Risk**

A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. The return on the note is linked to the return of an underlying asset or assets which makes the structured product unique. The payout can be used to provide some degree of principal protection, leveraged returns (there is usually a cap on the maximum return you receive) and it is tailored to a specific market or economic view. If certain underlying conditions are met, investors may receive long-term capital gains tax treatment if the note is held for more than one year. Structured notes often have liquidity constraints and they can be far riskier than they may appear. It is important you review the upside and downside potential, and the underlying fees, in detail and ask your financial professional any questions you may have.

### **Technical Analysis Risk**

- Technical analysis is derived from the study of market participant behavior and its efficacy is a matter of controversy.
- Methods vary greatly and can be highly subjective; different technical analysts can sometimes make contradictory predictions from the same data.
- Models and rules can incur sufficiently high transaction costs.

### **Overall Risks**

Clients need to remember that past performance is no guarantee of future results. All funds carry some level of risk. You may lose some or all of the money you invest, including your principal, because the securities held by a fund goes up and down in value. Dividend or interest payments may also fluctuate, or stop completely, as market conditions change.

Before you invest, be sure to read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. Funds with higher rates of return may take risks that are beyond your comfort level and are inconsistent with your financial goals.

While past performance does not necessarily predict future returns, it can tell you how volatile (or stable) a fund has been over a period of time. Generally, the more volatile a fund, the higher the investment risk. If you need your money to meet a financial goal in the near-term, you probably can't afford the risk of investing in a fund with a volatile history because you will not have enough time to ride out any declines in the stock market.

## **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 us or the integrity of our management. We do not have any information to disclose concerning West Wealth Group or any of our IARs. We adhere to high ethical standards for all IARs and associates.



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

Neither West Wealth Group nor any of its management persons are registered as a broker-dealer or registered as a representative of a broker-dealer, nor does it have any pending application to register. In addition, neither West Wealth Group nor its management persons are affiliated with any broker-dealer.

West Wealth Group and its management persons are not registering as a commodity pool operator, futures commission merchant, or commodity trading advisor.

### **Other Financial Industry Affiliations**

IARs of West Wealth Group that are properly insurance licensed may recommend and sell life insurance, Medicare supplemental insurance, fixed index annuities, fixed annuities, long-term care insurance and individual and group health insurance. Insurance Products are sold through BML Wealth & Insurance Services. BML Wealth & Insurance Services is owned by Brian M. Levy. Other IARs affiliated with West Wealth Group are licensed to sell insurance products through their individual insurance license or with other properly licensed insurance agencies. (To learn more about your IAR's ability to sell insurance products, ask your IAR or consult the Form ADV Part 2B Supplemental Brochure provided to you.) The ability to sell insurance products creates a conflict of interest as the insurance licensed IARs earn insurance commissions for the sale of those products, which creates an incentive to recommend such products. We require that all IARs disclose this conflict of interest when such recommendations are made. Also, we require IARs to disclose that clients may purchase recommended insurance products from other insurance agents not affiliated with us or BML Wealth & Insurance Services.

Our Code of Ethics requires that all IARs do what is in our clients' best interest at all times. Our CCO monitors all transactions to ensure that representatives put their clients first, and not receiving any undisclosed additional compensation from other sources. Michael Clark is a licensed real estate salesperson and the owner of Ensemble Realty Group. As such, he will receive normal and customary fees associated with real estate transactions in his independent capacity. These services are separate from investment advisory services offered through West Wealth Group and are governed by a separate agreement. Recommending such services in our advisory capacity presents a conflict of interest because of the compensation that Mr. Clark may receive. However, Clients are under no obligation, contractually or otherwise, to purchase real estate services through Mr. Clark or Ensemble Realty Group. Also, we require IARs to disclose that clients may purchase recommended real estate services from other real estate agents not affiliated with us.

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

### **General Information**

We have adopted a Code of Ethics for all IAR's of the firm describing its high standards of business conduct, and fiduciary duty to you, our client. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All of our IAR's must acknowledge the terms of the Code of Ethics annually, or as amended.

## **Participation or Interest in Client Accounts**

Our Compliance policies and procedures prohibit anyone associated with West Wealth Group from having an interest in a client account or participating in the profits of a client's account without the approval of the CCO.

The following acts are prohibited:

- Employing any device, scheme or artifice to defraud
- Making any untrue statement of a material fact
- Omitting to state a material fact necessary in order to make a statement, in light of the circumstances under which it is made, not misleading
- Engaging in any fraudulent or deceitful act, practice or course of business
- Engaging in any manipulative practices

Clients and prospective clients may request a copy of the firm's Code of Ethics by contacting the CCO.

## **Personal Trading**

We can recommend securities to you that we will purchase for our own accounts. We can trade securities in our account that we have recommended to you as long as we place our orders after your orders or block trade. This policy is meant to prevent us from benefiting as a result of transactions placed on behalf of advisory accounts.

Certain affiliated accounts may trade in the same securities with your accounts on an aggregated basis when consistent with our obligation of best execution. When trades are aggregated, all parties will share the costs in proportion to their investment. We will retain records of the trade Order (specifying each participating account) and its allocation. Completed Orders will be allocated as specified in the initial trade order. Partially filled Orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

West Wealth Group has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of "Access Persons". The policy requires that an Access Person of the firm provide the Chief Compliance Officer or his/her designee with their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Adviser selects.

We have established the following restrictions in order to ensure our fiduciary responsibilities regarding insider trading are met:

- No securities for our personal portfolios shall be bought or sold where this decision is substantially derived, in whole or in part, from the role of IARs of West Wealth Group, unless the accounts are traded together with client accounts in an aggregate transaction (so the pricing is the same as clients' pricing) or the information is available to the investing public on reasonable inquiry. In no case, shall we put our own interests ahead of yours.

## **Privacy Statement**

We are committed to safeguarding your confidential information and hold all personal information provided to us in the strictest confidence. These records include all personal information that we collect from you or receive from other firms in connection with any of the financial services they provide. We also require other firms with whom we deal with to restrict the use of your information. Our Privacy Policy is available upon request.

## **Conflicts of Interest**

We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interests of all the accounts we advise.

## **Item 12 Brokerage Practices**

### **The custodian and brokers we use**

We do not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to do so. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them.

We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see "Your brokerage and custody costs").

### **How we select brokers/custodians**

We seek to recommend a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (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 the prices
- Reputation, financial strength, security, and stability
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab")

### **Your brokerage and trading costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds, and

U.S. exchange-listed equities and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers. Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/ custodians"). By using another broker or dealer you may pay lower transaction costs.

### **Products and services available to us from Schwab**

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like ours. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through our firm. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available at no charge to us. Following is a more detailed description of Schwab's support services:

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

**Services that do not directly benefit you.** Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

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

**Services that generally benefit only us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

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

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources.

### **Our interest in Schwab's services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest.

### **Best Execution**

We have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian services, including the value of research provided, execution capability, commission rates, reputation and responsiveness. Therefore, we will seek competitive commission rates, but we do not promise to obtain the lowest possible commission rates for account transactions.

### **Brokerage for Client Referrals**

We do not receive client referrals from the qualified custodian we use.

### **Directed Brokerage**

We do not permit directed brokerage. We will require you to use the custodian of our choosing as the custodial firm.

### **Aggregated Trading**

Transactions for each client account generally will be affected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) aggregate or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our clients' differences in prices and commission or other transaction costs. Under this procedure, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day. We do not aggregate orders for different financial professionals that may enter orders for the same security on the same day.

### **ERISA 3(21) and 3(38)**

As it relates to ERISA Plan business, the Adviser does not trade in participant accounts when providing 3(21) services. However, when providing 3(38) services to 401K plans, we shall trade in the accounts of 401K participants on a discretionary basis.

### **Best Execution**

The Adviser does not trade in any Plan client accounts when providing 3(21) services. When providing 3(38) services, we have an obligation to seek best execution for you. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a custodian services, including

the value of research provided, execution capability, commission rates, reputation and responsiveness. Therefore, we will seek competitive commission rates, but we may not obtain the lowest possible commission rates for account transactions.

### Trading

The Adviser does not trade in individual Plan participant accounts when providing non-discretionary 3(21) services. When providing 3(38) services to 401Ks, we shall trade in participant accounts.

## **Item 13 Review of Accounts**

### **Reviews**

Reviews are conducted at least annually or as agreed to by us. Reviews will be conducted by your investment adviser representative. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, we will monitor for changes and shifts in the economy, changes to the management and structure of a mutual fund or company in which client assets are invested, and market shifts and corrections.

### **Reports**

Performance reporting is provided to clients upon request. If there are any discrepancies between the values on the performance reports and the values on the reports you receive from your custodian, you should always rely on the custodian's values. Please contact us if you have questions.

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

As disclosed under the *Fees and Compensation* section in this brochure, many of our IARs are also licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

Some IARs provide clients that refer others to us with a one-time \$50 donation to a charity of their choice for these referrals. The donation is made if the referral chooses to have an initial meeting with us and is not predicated on whether or not the referral becomes a client. No one is charged additional fees based on this compensation arrangement. Clients that make these referrals have an indirect financial incentive to recommend us to others for advisory services. This creates a conflict of interest; however, clients are not obligated to provide referrals and referrals are not required to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms. Not all IARs choose to participate in this program so not all clients that refer others to West Wealth Group will receive the \$50 donation.

### **Advertising and Referral Program**

Some investment professionals of the Firm utilize an advertising and referral program for investment professionals offered through the Ramsey Solutions' SmartVestor program, (hereinafter, "SmartVestor") for client referrals within a specific geographic region. SmartVestor is offered by Dave Ramsey, a media personality. Referred prospects are not required nor obligated in any way to work with the Adviser.

The Firm's financial professionals that choose to participate in SmartVestor, pay a monthly membership and advertising fee for leads made available through the SmartVestor website. The monthly fee is not contingent on a referral becoming a client or on the number of referrals that are received. SmartVestor provides prospective clients with three to five potential investment professionals (Pros) located in the individual's general geographic area. If more than five Pros are located within the specific market assigned to the client's zip code, SmartVestor issues a random selection of five Pros to the prospective client.

Unless the prospective client opts out of having their contact information shared, each SmartVestor Pro will generally contact a referred client within one business day of receiving the contact information. The prospective client determines whether to contact our firm from the investment professionals listed on the website. SmartVestor's role is limited to facilitating an initial introduction between the prospective clients and our firm. The SmartVestor program does not provide prospective clients with an assessment of the merits or shortcomings of any particular investment professional or their investment strategies.

SmartVestor is a lead generation service and does not provide investment advice. You will not pay additional fees because of this referral arrangement.

Although this is an advertising and referral program, it is also considered an endorsement by the SEC. For that reason, you will receive applicable disclosures from SmartVestor as required under SEC Rule 206(4)-1 of the Advisers Act. These disclosures will provide you with additional information about our arrangement with SmartVestor.

The selection of an investment adviser is important and should not be based solely on advertising or referrals, including referrals from entities affiliated with well-known personalities. Individuals that are referred to the firm through Dave Ramsey's Ramsey Solutions are free to work with any investment adviser or financial professional of their choosing.

Generally promoters (formerly "solicitors") receive payment if a referral becomes a client, but in the case of SmartVestor, the monthly membership and advertising fee are paid regardless of the number of referrals the financial professional receives and it is not based on whether or not the referred prospect becomes a client. You do not pay additional fees because of the financial professional's participation in the SmartVestor program.

### **Other Compensation**

We receive compensation from other registered investment advisers for referring clients to them. This arrangement could cause you to pay more in advisory fees than you would otherwise pay had there been no promoter's (formerly "solicitor's") compensation and this will be disclosed in the agreement you sign with the other unrelated investment adviser. Referral fees paid to our firm typically represent a portion of the fees actually charged to you by the other registered investment adviser for their investment advisory services but in some cases, you pay more for their services than you would pay if you worked directly with the other investment adviser, if such direct engagement is allowed.

### **Item 15 Custody**

We do not have physical custody of any accounts or assets. However, we may be deemed to have custody of advisory accounts if we have the ability to deduct your advisory fees from the custodian. We use Schwab as the custodian for all your accounts. You should receive at least quarterly statements from the custodian that holds and maintains your investment assets. We urge you to carefully review such statements and contact us if there are any discrepancies or you have questions.

Schwab debits your monthly advisory fees directly from your advisory account. We send information to your custodian to debit your fees and to pay them to us. You authorized the custodian to pay us directly at the onset of the relationship.

### **Wire Transfers or Standing Letters of Authorization**

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization or SLOA. An adviser with authority to conduct such third-party wire transfers has access to the client's assets as defined under the SEC's custody rule, and therefore has custody of the client's assets in any related accounts.

However, we are not required to obtain a surprise annual audit, as we otherwise would be for these accounts, as long as we meet the following criteria:

- You provide a written, signed instruction to the qualified custodian that includes the third-party's name and address or account number at a custodian;
- You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
- Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
- You can terminate or change the instruction;
- We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
- We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
- Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

### **Item 16 Investment Discretion**

We manage assets on a discretionary basis. Discretionary authority, which will be evidenced via the written, discretionary agreement between the client and the Adviser, will provide us with the authority to determine the following without your consent:

- Securities to be bought or sold for your account
- Amount of securities to be bought or sold for your account

In all cases this discretion is exercised in a manner consistent with your stated investment objectives for your account and in accordance with any restrictions placed on the account.

When active asset management services are provided on a discretionary basis the client will enter into a separate custodial agreement with the custodian. The custodian agreement will include a limited power of attorney to trade in the client's account(s) which authorizes the custodian to take instructions from us regarding all investment decisions for your account.

### **Qualified Retirement Plan Advisory Services**

Our recommendations regarding our 3(21)-qualified retirement plan consulting services are made on a non-discretionary basis. The plan sponsor retains the decision-making authority over the plan. When recommending securities, we observe the investment policies, limitations, and restrictions set by the plan and plan sponsor.

Our investment decisions regarding our 3(38)-qualified retirement plan consulting services are made on a discretionary basis.



In performing discretionary management services, the Adviser is acting as an "investment manager" (as that term is defined in Section 3(38) of ERISA) and as a fiduciary to the Plan and shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims.

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

As a matter of firm policy and practice, we do not have any authority to and do not vote proxies on behalf of advisory clients. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your portfolios. We may provide advice to you regarding your voting of proxies. The custodian will forward you copies of all proxies and shareholder communications relating to your account assets.

### **Item 18 Financial Information**

We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings. In no event shall we charge advisory fees that are both in excess of twelve hundred dollars (\$1,200) and more than six months in advance of advisory services rendered.