



# COMPREHENSIVE

## WEALTH MANAGEMENT

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

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This Brochure provides information about the qualifications and business practices of Comprehensive Wealth Management, LLC (hereafter referred to as “CWM”). If you have any questions about the contents of this brochure, please contact us at 425-778-6160 or e-mail us at Info@CWMnw.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (hereafter referred to as “SEC”) or by any state securities authority. Additional information about CWM also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). CWM is a registered investment advisor. Registration as an investment advisor does not require any certain level of skill or training.

## Item 2: Material Changes

*This section of the brochure helps you quickly identify material changes from the last annual update.*

**Summary of Material Changes** – The following summary discusses the material changes that CWM has made to the brochure since our prior annual updating amendment in March 2023.

CWM has made new investment strategies available to clients. See the section of the brochure entitled “Method of Analysis, Investment Strategies and Risk of Loss” for more information.

Since our March 29, 2024, annual updating amendment, we have made the following material changes to this brochure:

Effective August 21, 2024, Brian Lockett, Chase Ferderer, and Jason Heid are no longer Registered Representatives of Independent Financial Group, LLC. References to the broker-dealer and related conflicts of interest have been removed from this Brochure wherever they appeared.

CWM has added Financial Institution Consulting Services to Brokerage Clients through an arrangement with an unaffiliated broker-dealer. See Item 4, Item 5, and Item 10 for more information.

A "wrap fee" is a single fee charged by a wrap fee sponsor to cover investment management, brokerage, custody, and other services provided under the program. A portion of the wrap fee is then paid to different providers to compensate them for their services. CWM offers a "bundled fee" arrangement, under which we charge our advisory fee as the custodian assesses its typical custody and transaction fees but CWM agrees to pay most of those fees on behalf of the client. CWM does NOT share any portion of its advisory fee with the custodian or other service providers.

This section covers only material changes. Other amendments may have been made to this Brochure, which may not have been discussed in our summary, and consequently, we encourage you to read this Brochure in its entirety.

**Brochure Availability** - We will provide you with a new brochure any time, without charge. Currently, our brochure may be requested by contacting CWM at (425) 778-6160 or [info@CWMnw.com](mailto:info@CWMnw.com). CWM also maintains a current copy of our ADV on the “Disclosures” page of our website at [www.CWMnw.com/disclosures](http://www.CWMnw.com/disclosures), a page also accessible via the footer of the site.

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## **Item 4: Advisory Business**

*This section of the brochure tells you about our business, including ownership and a description of the services we offer.*

Comprehensive Wealth Management, LLC is referred to in this document as “CWM,” “the Company,” “us,” “we,” or “our.” In this document, we refer to current and prospective clients of CWM as “client,” “you,” “or “your.” CWM was created in 2001 and is owned by two holding companies, FUPA, Inc., and B & S Lockett, Inc., each of which owns 50% of CWM. FUPA, Inc. is owned and controlled by Morgan Arford. B & S Lockett, Inc. is owned and controlled by Brian and Shilo Lockett.

### **Types of Advisory Services**

You authorize CWM to manage your assets on a discretionary basis by purchasing and/or selling individual stocks, bonds, money market instruments, money market funds, or other instruments as and when we see fit without your approval of each transaction. In managing your account, we will employ various investment strategies as described in the Investment Strategies section of this document and any other material we may give to you. You grant us discretionary authority in the Investment Advisory Agreement that you enter into with us and it will remain in full force and effect, even if you become incompetent or disabled, unless revoked or terminated by you or your authorized successor. We will collect information about your investment objectives. We regularly inquire about, and you are responsible for providing, information about your investment goals, time horizon, and risk tolerance. You are encouraged to contact CWM directly at its home office shown on the first page of this document. These investment supervisory services are generally not provided to all your holdings or net worth but rather only to assets specifically designated by you and agreed to by us as managed assets.

#### ***Financial Institution Consulting Services***

CWM provides investment consulting services to customers of an unaffiliated broker/dealer (“Brokerage Customers”). Brokerage Customers have entered into a written advisory agreement with CWM and must provide the broker-dealer written consent requesting to receive CWM’s consulting services. See Item 5 for the fees and conflicts of interest associated with this arrangement.

#### ***Advice on Matters Not Involving Securities***

CWM from time-to-time provides advice on topics not involving securities. The fees for this advice may be included as part of an assets under management billing agreement, hourly charges, or a fixed fee agreement described in the written agreement between us. Non-securities-related advice is only provided to you upon request and agreement between us. Not all clients receive this type of advice.

#### ***Financial Planning***

Some clients receive a written plan that may include a personal balance sheet and certain projections. Any reports, financial statement projections, and analyses are intended exclusively for your use in developing and implementing your financial plan. In view of this limited purpose, the

statements should not be considered complete financial statements. CWM will not audit, review or compile financial statements and, accordingly, we will not express an opinion or other form of assurance on them, including the reasonableness of assumptions and other data on which any prospective financial statements are based. It is likely that there will be material differences between projected and actual results because events vary, and circumstances frequently do not occur as expected.

Our analyses will be highly dependent on certain economic assumptions about the future. Therefore, you should establish familiarity with historical data regarding key assumptions such as inflation and investment rates of return, as well as an understanding of how significantly these assumptions affect the results of our analyses. We may counsel you as to the consistency of your assumptions with relevant historical data, but we will not express any assurance as to the accuracy or reasonableness of your specific data and assumptions. You are ultimately responsible for the assumptions and personal data upon which our procedures and projections are based. The financial plan assumptions and reports are primarily a tool to alert you to certain possibilities. The reports are not intended to, nor do they provide any guarantee about future events including your investment returns. The implementation of the plan is solely your responsibility.

The financial plans provided for some of our clients do not address all potential aspects of financial planning. Typically, our plans address retirement planning, college funding, estate planning, and risk management issues such as life, disability, and long-term care insurance are typically addressed in every financial plan.

### **Types of Investments Used**

We consider many different types of securities when formulating the investment advice we give to you. If you come to us with existing investments, we evaluate them with respect to your financial goals, risk tolerance, and investment time horizon. Depending upon your situation, your account(s) managed by us may contain individual stocks, corporate and/or government bonds, mutual funds, or exchange-traded funds (“ETFs”). In some situations, we may recommend that real estate be part of your investment portfolio.

### **Tailored Services and Investment Restrictions**

We attempt to tailor your investment portfolio to your situation as you have described it to us. This is why it is so important that you let us know about changes to your financial situation, goals, or investment time horizon. You may impose restrictions on investing in certain securities or types of securities. You must clearly identify these restrictions in writing to CWM.

### ***Potential Effect of the Company Paying Transaction Costs***

Our advisory fee is “bundled” with the costs of executing transactions through the custodian. This means we pay the custodian for most charges associated with securities transactions instead of adding them to the cost of the trade and having the client pay them. We also have full discretionary power to decide if and when a securities transaction is made. Because of this, we have a financial incentive to either reduce the number of securities transactions in your account, or choose securities that won’t incur a transaction fee. This creates a conflict of interest, which we mitigate by disclosing it, and by ensuring that we trade on your behalf in accordance with our fiduciary duty to you, and not based on our financial interests. Further, because the types of trades

we implement are unlikely to incur transaction fees at most custodians, the costs involved are both infrequent and generally very low. Paying a single bundled fee for both investment advice and transaction execution may cost you more or less than purchasing such services separately.

### **Non-Transaction Fee (NTF) Mutual and Exchange Traded (ETF) Funds**

When selecting investments for our clients' portfolios we choose mutual and exchange-traded funds (mutual funds) on your account custodian's Non-Transaction Fee (NTF) list. This means that your account custodian will not charge a transaction fee or commission associated with the purchase or sale of the mutual fund.

The mutual fund companies that choose to participate in your custodians NTF fund program pay a fee to be included in the NTF program. The fee that a mutual fund company pays to participate in the program is ultimately borne by the owners of the mutual fund including clients of CWM.

As noted above, because we pay for securities trading commissions for most trades made in your account, we have a financial incentive to select mutual funds on the NTF list. This financial incentive creates a conflict of interest between you and us where our interests might not be aligned. Specifically, we have the incentive to choose a mutual fund that does not incur trading charges, which may result in the selection of a fund with a higher expense ratio. You, the owner of the fund, ultimately pay the fee by way of the fee charged by the mutual fund.

Some mutual funds also impose a short-term redemption fee if the mutual fund is purchased and then sold in less than a specified period (i.e., 180 days). You as the owner of the mutual fund will bear the cost of the mutual fund's redemption fee.

### **Assets Under Management**

As of December 31, 2023, CWM manages approximately \$288,264,741 of client assets, on a discretionary basis and \$10,322,681 of client assets on a non-discretionary basis.

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

*This section of the brochure describes how we are compensated for the services we offer.*

### **proVest Program Management Fee**

CWM charges an asset-based fee for services provided through our proVest Program Agreement. The maximum fee charged is set forth in the table below. The fees are negotiable based on a number of factors that could result in a particular client paying a fee greater or less than the standard fees. The exact fee you will pay is specified in your CWM Investment Advisory Agreement, specifically noted in the, Appendix A of the proVest Program Agreement.

<b>Dollar Value of Assets Under Management*</b>	<b>Annual Fee</b>
First \$500,000	2%
Amounts over \$500,000	1%

*\*CWM bills on all assets under management, including cash positions.*

The advisory fee is expressed as an annual rate. To calculate your advisory fee, CWM multiplies the account value on the last day of the previous calendar quarter by the daily pro rata portion of the annual rate in advance of services being performed. The advisory fee is blended, meaning that as the market value of your account(s) reach a higher breakpoint, you continue to pay the rate applicable to each asset tier in the schedule above, not a single lower rate once your total assets cross a breakpoint. Your quarterly fee is adjusted for cash flows into and out of your account(s) during the quarterly billing period. For example, if you withdraw funds from your account midway through the billing period, your next bill will reflect a refund of the fee that was charged in advance on the funds you withdrew. Likewise, if you deposit money into your account midway through the billing period, your next bill will reflect a charge for the new funds you deposited for the partial period those new funds were managed by us.

### ***Householding of Accounts***

If you have more than one account, your accounts are “householded” for purposes of calculating the fee. A “household” is generally a group of accounts having the same address of record or the same Social Security number. Individual Retirement Accounts (“IRAs”), Simplified Employee Pension IRAs (“SEP-IRAs”), SIMPLE IRAs, and other personal retirement accounts are generally combined for householding purposes. The accounts which may be householded are subject to negotiation and our approval. We calculate your household fee by totaling the market value of your accounts under each fee schedule and charging your accounts according to the fee schedule. The fee is then allocated on a pro-rata basis to each account. Each of your account’s pro-rata amounts is calculated by computing the market value of each account as a percentage of the total market value of all accounts under that fee schedule.

If the market value of your account falls significantly below the specified minimum due to your withdrawal of assets from the account, we may require you to deposit additional money or securities to bring the account up to the required minimum, close the account, or change it to another type of account.

Generally, members, employees and immediate family members of CWM are not charged a management fee.

### ***Services Covered by the proVest Program Agreement***

CWM’s fees cover CWM’s asset management services, as well as the following services provided by Charles Schwab & Co.,: (referred to henceforth as “Schwab”):

- execution of transactions in equity securities
- custody of account assets

CWM’s fees cover trade execution for transactions in equity securities executed through Schwab. It does not include:

- execution of transactions in fixed-income securities by Schwab as principal
- execution of transactions in securities by other broker-dealers

### ***Financial Institution Consulting Services***

CWM receives a consulting fee from the broker-dealer who hires us based on the Assets Under Management from Brokerage Customers who have provided written consent to the broker/dealer to receive the investment consulting service from CWM and have entered into a written advisory agreement with CWM. The consulting fee is calculated in advance based on the value of the Assets Under Management from the Brokerage Customers as of the end of the previous quarter. The maximum fee will not exceed 1% annually. This fee is paid by the broker-dealer and is not charged to the client separately. The initial fee is paid by the broker-dealer only after completion of one full calendar quarter period following the date of the executed agreement with the broker/dealer. CWM has a conflict of interest in consulting on these assets since CWM is hired and paid by the broker-dealer, not by the end client, though the client does have an advisory agreement with CWM. If we recommend sale of the assets held in an account subject to the broker-dealer consulting agreement, the broker-dealer would likely lose revenue on that account and could choose to lower CWM's compensation or terminate the agreement entirely. We therefore have a financial incentive to retain the assets currently held by Brokerage Customers to keep the agreement with the broker-dealer in force. On an individual basis, however, we would likely earn more compensation if we recommended sale of brokerage assets and brought the proceeds under CWM's management at our typical advisory fee rate. We mitigate the conflict by disclosing it; by notifying clients that they are not required to request CWM's consulting services; and by notifying the broker-dealer (and the Brokerage Customer) that we will make recommendations in the end client's best interest, not based on the financial interests of either the broker-dealer or CWM. Brokerage Customers should also understand that, because CWM has an advisory agreement in place with them, CWM could recoup any money lost due to the broker-dealer lowering our consulting fees by (1) charging clients an asset-based fee directly; or (2) transferring liquidated amounts directly to CWM's control.

### ***Other Charges and Compensation***

Trades in fixed-income securities executed by Schwab as principal and trades executed with other dealers involve transaction charges in addition to the platform fee. When a broker-dealer executes a trade as principal, the dealer will realize the customary dealer profits or losses on the trade. Schwab will also charge a markup or markdown on transactions executed as principal in fixed-income securities in the platform. When a trade is executed by us with another broker-dealer, you will pay additional compensation to that broker-dealer, which will include markups, markdowns, commissions, and dealer profits. Any dealer profit, commission, markup, or markdown on principal trades will be separate from, and in addition to, and will not reduce or otherwise offset, the advisory fee for your account. Our advisory fee does not cover certain other costs or charges imposed by third parties, including, but not limited to:

- odd-lot differentials
- American Depositary Receipt fees
- exchange fees
- transfer taxes mandated by law
- short term redemption fees



Schwab also imposes additional charges for special services elected by you or CWM, including without limitation:

- periodic distribution fees
- electronic fund and wire transfer fees
- certificate delivery fees
- reorganization fees
- account transfer fees (outbound)
- returned check fees
- international security transfer
- overnight mail and check fees
- rule 144 transfer fees
- transfer agent fees

### ***Payment of Fees and Other Charges***

Advisory fees are deducted from your account(s) in the first month of the quarter for which the fees are to be earned. Other charges are deducted from your account when they are incurred. The platform fee and other charges are payable from free credit balances, if any, in your account(s). If there are no free credit balances in your account(s), we will redeem money market fund shares in your account to cover the charges or notify you to deposit additional funds into your account. We reserve the right to liquidate a portion of the other assets in your account to cover the platform fee or other charges at any time. Liquidation will affect the relative balance of your account and may also have tax consequences.

### ***Fixed Fees***

You may enter into an Investment Advisory Agreement where a fixed fee for services is determined through negotiations and agreement between you and CWM. Fixed fees are not necessarily based upon the value of assets managed or time expended providing services. Fixed fees are normally agreed to for one year, then renegotiated and agreed to for future periods. If you are paying a fixed fee, you may pay a fee higher or lower than one based upon the value of assets managed. In the event a fixed fee engagement is terminated, unearned fees will be returned to you on a pro-rata basis.

### ***Hourly Fees***

We may perform services for you outside our standard scope of work where the price of the service may be billed at an hourly rate for the amount of time required to complete the project or task. The rate per hour depends upon the level of complexity of the service and experience and expertise of the personnel used to do the work. This negotiable rate would normally not exceed \$300 per hour. The tasks and services to be performed are described in an engagement letter that is signed by you and CWM which also includes the hourly rate, an estimate of time to complete the project, and the procedure for refund or partial billing if the engagement is terminated before completion.

### ***Investment Company Fees—Mutual Funds and ETFs***

Investment company funds that are held by you will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some mutual funds pay 12b-1 fees, distribution fees, and or shareholder service fees to broker-dealers that offer investment company funds to their clients. These fees affect the net asset value of the fund shares and are indirectly borne by fund shareholders such as you. Some fund companies impose a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold and/or redeemed within a short period of time from the purchase. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. While it is not the general practice of CWM to sell client's securities in a period that would generate a redemption fee, we will do so if we believe the sale is in your best interests, or if fund shares must be redeemed to pay fees or cover withdrawals from the account.

A complete explanation of these charges is contained in the Prospectus and Statement of Additional Information for each investment company fund. You can get a prospectus through the investment company website, by telephone, or by mail.

### ***Commission Based Compensation***

Investment advisor representatives of CWM, while acting as insurance agents, will receive sales commissions from insurance companies in connection with the sale of insurance products to you.

Acting as both an investment advisor and an insurance producer creates a financial incentive for the investment advisor representative(s) to recommend insurance products that will generate customary commissions. The insurance-licensed investment advisor representative has an incentive to recommend insurance products based on the compensation received, rather than on your needs. You acknowledge that the investment advisor representatives and CWM will receive commissions in addition to any investment advisory or financial planning fees paid by you. To address these potential conflicts, we review the costs and expenses associated with investments selected for or recommended to you to ensure that the costs incurred are reasonable with respect to the services provided.

You are never required to accept our insurance recommendations, and you may choose to purchase insurance products that CWM recommends through other brokers or agents not affiliated with us.

### ***Termination of Advisory Services***

You may terminate our services by providing notice to us as described in the proVest Program Agreement. Any fees collected in advance of services being performed will be returned to the client on a pro-rata basis.

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

*This section of the brochure explains any performance-based fees we may charge you for and how they may be different from other clients' charges.*

## **Performance Based Fees**

CWM does not charge fees that are based upon a share of capital gains or capital appreciation of client assets.

## **Side-By-Side Management**

We provide investment advisory services to other clients in addition to you. Not all clients receive the same investment advice, nor do they pay the same fee. We strive to act in the best interests of each of our clients at all times.

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

*This section of the brochure describes specific requirements to open and maintain an account and the types of clients we generally provide investment advice.*

We generally require a minimum portfolio size of \$500,000 to participate in the CWM *Performance Targeting System (PTS®)* program and \$100,000 for the CWM *Wealth Accumulator* program under our proVest Program Agreement. We will waive this minimum account size at our discretion.

We provide advisory services to a variety of types of clients including individuals, trusts, and individual pension plan accounts. The type of investment we choose for you will vary because of the size of your account.

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

*This section of the brochure explains how we formulate our investment advice and manage client assets.*

### **Methods of Analysis and Investment Strategies**

All clients using the proVest Program will have the option to select between four investment methodologies for the management of their portfolio, the CWM Performance Targeting System (PTS®), CWM Wealth Accumulator Models, CWM Tactical Allocation Models or the CWM Global Allocation Models.

In addition, CWM offers an **Extended Savings Program**, designed primarily for clients with a minimum CWM-managed portfolio of \$250,000 who are interested in holding a static (unmanaged) allocation in money market investments issued by U.S. and foreign issuers. If you elect to participate in the Extended Saving Program your funds will be custodied at Charles Schwab and invested in a [Schwab Money Fund](#).

The following are examples of portfolio strategies that we use in managing your portfolio:

#### **CWM Performance Targeting System (PTS®)**

CWM PTS models are designed primarily for clients who are interested in an investment style that will tactically allocate asset exposures based on market data in an attempt to mitigate risk and

seek better opportunity. This style seeks, in more extreme market data environments, to either overweight or underweight exposures (i.e. stock or bond exposure) dependent on each client's individual risk tolerance and assigned model normal bias (see descriptions below). These are proprietary CWM investment models that are held in custody at Charles Schwab.

These models will incorporate regular rebalancing methods (based on deviation from the original model) and will utilize both mutual funds and exchange-traded funds.

The models below display the normal (or starting position) biases of each model, which will be deviated from based on future investment outlooks derived from data analytics methods.

### ***PTS® Strategic Income Model***

The objective of the Strategic Income Model is to provide immediate income with very limited growth and risk. The model will normally invest 80-100% of its assets in fixed-income or other assets with a low stock market correlation. All investments will be diversified over a variety of asset classes. Volatile markets may result in the majority, or all, of the portfolio being held in cash. The model may also invest up to 100% in equities in rare market settings where stocks are shown to be particularly undervalued relative to normal model assets, based on CWM's PTS® proprietary metrics, relative to normal environments.

### ***PTS® Capital Preservation Model***

The objective of the Capital Preservation Model is to maintain the current account value with limited growth and volatility. The model will normally invest 45-60% of its assets in fixed-income securities or other assets with a low stock market correlation and the remainder in equity securities. All investments will be diversified over a variety of asset classes. The model may also invest up to 100% in equities or 100% in low market-correlated assets, such as fixed income, in market settings where the respective asset classes are shown to be particularly undervalued/overvalued, based on CWM's PTS® proprietary metrics, relative to normal environments.

### ***PTS® Balanced Income Model***

The objective of the Balanced Income Model is to obtain some capital appreciation while limiting the amount of risk exposure. The model will normally invest 30-40% of its assets in fixed-income securities or other assets with a low stock market correlation and the remainder in equity securities. All investments will be diversified over a variety of asset classes. The model may also invest up to 100% in equities or 100% in low market-correlated assets, such as fixed income, in market settings where the respective asset classes are shown to be particularly undervalued/overvalued, based on CWM's PTS® proprietary metrics, relative to normal environments.

### ***PTS® Growth Model***

The objective of the Growth Model is to obtain capital appreciation while carefully managing risk. The model will normally invest 15-20% of its assets in fixed-income securities or other assets with a low stock market correlation and the remainder in equity securities. All investments will be diversified over a variety of asset classes. The model may also invest up to 100% in equities or 100% in low market-correlated assets, such as fixed income, in market settings where the

respective asset classes are shown to be particularly undervalued/overvalued, based on CWM's PTS® proprietary metrics, relative to normal environments.

### ***PTS® Aggressive Growth Model***

The objective of the Aggressive Growth Model is the active pursuit of investments that increase the value of the portfolio. The model will normally invest 2% of its assets in fixed-income securities and the remainder in equity securities. All investments will be diversified over a variety of asset classes. The model may also invest up to 100% in low market correlated assets, such as fixed income, in market settings where the asset class is shown to be particularly undervalued/overvalued, based on CWM's PTS® proprietary metrics, relative to normal environments.

### **CWM Tactical Allocation Models**

CWM Tactical Allocation Models are designed primarily for clients who are interested in a mixture of more traditional "buy and hold" investment style with an active management component that will tactically allocate underlying asset exposures based on market data in an attempt to mitigate risk and seek better opportunity. This style will establish static macro allocation exposures (stock versus strategic income assets) while having a dynamic weighting of the assets underlying those macro categories as assigned by CWM data analytics. These are proprietary CWM investment models that are held in custody at Charles Schwab.

These models will incorporate regular rebalancing methods (based on deviation from the original model).

The following are examples of portfolio strategies that we use in managing your portfolio, some slight variation or blending of these models can and may occur:

### ***Balanced Income Model***

The objective of the Balanced Income Model is to obtain some capital appreciation while limiting the amount of risk exposure. The model will invest 30-40% of its assets in fixed-income securities or other assets with a low stock market correlation and the remainder in equity securities. All investments will be diversified over a variety of asset classes. While the macro split between fixed income and equity securities will remain static, the underlying assets in those groups will fluctuate depending on the economic environment and related data.

### ***Growth Model***

The objective of the Growth Model is to obtain capital appreciation while carefully managing risk. The model will normally invest 15-20% of its assets in fixed-income securities or other assets with a low stock market correlation and the remainder in equity securities. All investments will be diversified over a variety of asset classes. While the macro split between fixed income and equity securities will remain static, the underlying assets in those groups will fluctuate depending on the economic environment and related data.

### ***Aggressive Growth Model***

The objective of the Aggressive Growth Model is active pursuit of investments that will increase the value of the portfolio with little risk management. The model will normally invest 1% of its

assets in fixed-income securities and the remainder in equity securities. All investments will be diversified over a variety of asset classes. While the macro split between fixed income and equity securities will remain static, the underlying assets in those groups will fluctuate depending on the economic environment and related data.

### **CWM Global Allocation Models**

CWM Global Allocation Model (GAM) is designed primarily for clients who seek the most responsive, unconstrained, and proactive strategy option available at CWM. GAM doesn't follow any macro or micro policy constraints but focuses on individual investment weightings, regardless of categorization, except for a targeted 1% cash or fixed income positions. All investments will be diversified over a variety of asset classes with dynamic portfolio weightings that will shift dependent on current market data conditions. Outside of the 1% cash position, the model may invest up to 100% of the remaining balance in equities or in low market-correlated assets, such as fixed income, based on CWM's PTS® proprietary metrics.

### **CWM Wealth Accumulator Models**

CWM Wealth Accumulator Models are designed primarily for clients who are interested in a more traditional "buy and hold" investment style. This style typically involves the selection of a static investment allocation, dependent on each client's individual risk tolerance (see descriptions below). These are proprietary CWM investment models that are held in custody at Charles Schwab.

These models will incorporate regular rebalancing methods (based on deviation from the original model). Only exchange-traded fund products will be utilized for these models.

The following are examples of portfolio strategies that we use in managing your portfolio, some slight variation or blending of these models can and may occur:

#### ***Balanced Income Model***

The objective of the Balanced Income Model is to obtain some capital appreciation while limiting the amount of risk exposure. The model will normally invest 30-40% of its assets in fixed-income securities or other assets with a low stock market correlation and the remainder in equity securities. All investments will be diversified over a variety of asset classes. This model will remain statically invested regardless of market environment. Limited trading activity will occur as necessary for investment of contributions, divesting for distribution, model rebalancing, etc.

#### ***Growth Model***

The objective of the Growth Model is to obtain capital appreciation while carefully managing risk. The model will normally invest 15-20% of its assets in fixed-income securities or other assets with a low stock market correlation and the remainder in equity securities. All investments will be diversified over a variety of asset classes. This model will remain statically invested regardless of market environment. Limited trading activity will occur as necessary for the investment of contributions, divesting for distribution, model rebalancing, etc.

### ***Aggressive Growth Model***

The objective of the Aggressive Growth Model is active pursuit of investments that will increase the value of the portfolio with little risk management. The model will normally invest 1% of its assets in fixed-income securities and the remainder in equity securities. All investments will be diversified over a variety of asset classes. This model will remain statically invested regardless of market environment. Limited trading activity will occur as necessary for the investment of contributions, divesting for distribution, model rebalancing, etc.

## **Risk of Loss**

### ***General Risks to Investing***

Investing is not without risk, and involves the risk of loss of principal which you should be prepared to bear. We try to reduce risk by diversifying a portfolio across multiple asset classes.

Despite these strategies, historical evidence clearly shows that every asset class has experienced severe declines in value-sometimes sustained over many years-throughout several periods of time this century. Our strategies to minimize risk may not achieve that goal, as the benefits of diversification decline if asset classes become more correlated.

As with any investment, you could lose all or part of your investments managed by CWM, and your account's performance could trail that of other investments.

### ***Asset Class Risk***

Securities in your portfolio(s) or in underlying investments such as mutual funds may underperform in comparison to the general securities markets or other asset classes.

### ***Concentration Risk***

To the extent that CWM recommends portfolio allocations that are concentrated in a particular market, industry, or asset class, your portfolio may be susceptible to loss due to adverse occurrences affecting that market, industry, or asset class.

### ***Derivatives Risk***

The use of derivatives such as futures, options, and swap agreements can lead to losses, including those magnified by leverage, particularly when derivatives are used to enhance return rather than offset risk.

### ***Equity Securities Risk***

Equity securities are subject to changes in value that may be attributable to market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than other types of investments.

### ***Exchange-Traded Fund Risk***

Exchange-traded funds ("ETFs") are funds bought and sold on a securities exchange that attempt to track the performance of a specific index (such as the S&P 500), a commodity, or a basket of assets (such as a set of technology-focused, country-specific, or other sector-specific stocks). The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in its being more volatile than the underlying securities. ETFs have management fees that increase their costs. ETFs are also subject to other

risks, including: the risk that their prices may not correlate perfectly with changes in the underlying index (tracking error); the risk that the ETF will trade at prices that differ, sometimes materially, from the ETF's net asset value; and illiquidity risk, especially for narrowly-focused ETFs, including the risk of possible trading halts due.

### ***Fixed Income Risk***

Prices of fixed income instruments (e.g., bonds) can exhibit some volatility and change daily. Investments in fixed income instruments present numerous risks, including credit, interest rate, reinvestment and prepayment risk, all of which affect the price of the instruments. For instance, a rise in interest rates will generally cause the price of bonds to go down. If the security is held to maturity and the issuer does not default, the client should receive the face amount of the bond at the maturity date, as well as stated interest payments while the bond is held. In this case, the change in price prior to maturity may not affect the client. If the client needs to sell prior to maturity, however, the investor will likely experience a loss. Where a client's fixed income exposure is to bond funds or fixed-income ETFs, the fund or ETF does not itself "mature," although different issues held by the fund/ETF will mature and will experience price fluctuations. Investors are therefore highly dependent on the manager's ability to accurately anticipate the impact of rate changes and to appropriately manage the portfolio to achieve both adequate returns and reasonable risk. Increases in the prevailing interest rates could have a material negative impact on the value of current fixed income holdings. In addition, the value of fixed income instruments may decline in response to events affecting the issuer, its credit rating or any underlying assets backing the instruments.

### ***Growth Securities Risk***

Growth companies are companies whose earnings growth potential appears to be greater than the market, in general, and whose revenue growth is expected to continue over an extended period. Stocks of growth companies or "growth securities" have market values that may be more volatile than those of other types of investments. Growth securities typically do not pay a dividend.

### ***Issuer Risk***

Your account's performance depends on the performance of individual securities in which your account invests. Any issuer may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, disruptions in supply, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of their securities to decline.

### ***Larger Company Securities Risk***

Securities of companies with larger market capitalizations may underperform securities of companies with smaller and mid-sized market capitalizations in certain economic environments. Larger, more established companies might be unable to react as quickly to new competitive challenges, such as changes in technology and consumer tastes. Some larger companies may be unable to grow at rates higher than the fastest growing smaller companies, especially during extended periods of economic expansion.

### ***Leverage Risk***

Certain transactions may give rise to a form of leveraging, including borrowing. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the



use of when-issued, delayed-delivery or forward-commitment transactions. The use of derivatives may also create leverage. The use of leverage may cause a portfolio to liquidate portfolio positions when it may not be advantageous to do so. Leveraging may make a portfolio more volatile than if the portfolio had not been leveraged. This is because leverage tends to increase a portfolio's exposure to market risk, interest rate risk, or other risks by increasing assets available for investment.

***Liquidity Risk***

A security may not be able to be sold at the time desired without adversely affecting the price.

***Management Risk***

The performance of your account is subject to the risk that our investment management strategy may not produce the intended results.

***Market Risk***

Your account could lose money over short periods due to short-term market movements and over longer periods during market downturns. The value of a security may decline due to general market conditions, economic trends, or events that are not specifically related to the issuer of the security or to factors that affect a particular industry or industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected.

***Market Trading Risk***

Your investment account faces numerous market trading risks, including the potential lack of an active market for investments held in your account and losses from trading in secondary markets.

***Mutual Fund Risk***

These are professionally-managed investments that pool money from multiple investors to purchase securities. Mutual funds may be broad-based (e.g., focused on the market overall, or focused on large-capitalization companies), or they can be more narrow in scope, such as those focused on the technology industry or the securities of specific country. The risks of mutual funds are generally connected to the risks of the underlying securities they hold. Mutual funds do not trade on an exchange but are priced daily based on the net asset value of the securities held in the fund. Investors buy or sell fund shares based on that end-of-day price.

***Passive Investment Risk***

CWM may use a passive investment strategy that is not actively managed where we do not attempt to take defensive positions in declining markets.

***Regulatory Risk***

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

***Smaller Company Securities Risk***

Securities of companies with smaller market capitalizations, historically, tend to be more volatile and less liquid than larger company stocks. Smaller companies may have no or relatively short operating histories, or be newly public companies. Some of these companies have aggressive capital structures, including high debt levels, or are involved in rapidly growing or changing industries and/or new technologies, which pose additional risks.

### **Small Firm Risk**

We are reliant on research from Wall Street's leading firms to help us in our investment decisions. In addition, we do not have the financial resources that other, larger firms have to invest in market data systems or industry consultants to provide insight on specific companies or industries in which we may invest.

### **Value Style Investment Risk**

Value stocks can perform differently from the market as a whole and from other types of stocks. Value stocks may be purchased based upon the belief that a given security may be out of favor. Value investing seeks to identify stocks that have depressed valuations, based upon a number of factors which are thought to be temporary in nature, and to sell them at superior profits when their prices rise when the issues which caused the valuation of the stock to be depressed are resolved. While certain value stocks may increase in value more quickly during periods of anticipated economic upturn, they may also lose value more quickly in periods of anticipated economic downturn. Furthermore, there is a risk that the factors which caused the depressed valuations are longer term or even permanent in nature, and that there will not be any rise in value. Finally, there is the increased risk in such situations that such companies may not have sufficient resources to continue as ongoing businesses, which may result in the stock of such companies becoming worthless.

## **Item 9: Disciplinary Information**

*This section of the brochure provides you with legal and disciplinary information about CWM and our owners and management team.*

All advisors are required to disclose specific civil, criminal, and regulatory matters, if they apply to the firm or the firm's "management persons," as well as other matters, if they would be material to a client or prospective client's evaluation of the firm. Neither CWM nor any of our current owners or management team members have civil or criminal events to disclose. One of our manager/owners, however, has a FINRA disclosure.

FINRA regulates broker-dealers and their representatives; CWM is an investment advisor regulated by the SEC. In November 2019, FINRA entered into an Acceptance, Waiver and Consent involving owner and management team member Brian J. Lockett. Without admitting or denying FINRA's findings, Brian settled the matter by consenting to the sanctions and to the entry of findings that he participated in a private securities transaction without providing prior written notice to his former broker-dealer (Geneos), in breach of NASD Rule 3040(b) and FINRA Rule 2010. Brian consented to a \$5,000 fine and a 45-calendar day suspension from association with any FINRA member firm in any capacity. Since CWM is not a FINRA member firm, Brian was able to continue serving as a CWM investment advisor representative during the suspension period. The findings stated that Brian introduced a private placement offering to an individual in July 2012, summarized the reasons he liked the investment, met with the client to review and sign paperwork, and caused the paperwork to be submitted. The findings also noted that Brian did not receive compensation for his participation in the transaction. In addition, FINRA found that Brian attempted to prevent Geneos from discovering his assistance in the transaction by suggesting to the individual that future communications about the security take place via his personal email

address. FINRA also noted that “Lockett does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization.” Because other regulatory and oversight bodies have independent powers to impose sanctions, even where those sanctions are duplicative, Mr. Lockett has other disclosures related to the original issue described above. Brian is a resident of Washington State and Washington’s Department of Financial Institutions (DFI) has a general practice of responding to the actions of other regulatory bodies by imposing their own parallel sanctions; accordingly, they entered an order in November 2020 to retroactively suspend Brian as an investment advisor representative for 45-days plus levy a fine of \$5,000 because of the previously-disclosed FINRA suspension. Without admitting or denying the findings, Brian consented to the fine and retroactive suspension.

Additional information about individual investment advisor representatives is available on the ADV 2B for that representative, as well as by visiting the SEC’s investment advisor disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

*This section of the brochure describes other financial services industry affiliations we may have that could present a conflict of interest with you.*

CWM does not have any material business affiliations within the financial services industry.

CWM’s investment advisor representatives (IARs) provide advice about matters other than securities. Our IARs also act as insurance agents. As insurance agents, they will receive compensation based upon whether or not, and in what amount, clients purchase insurance products through them.

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

*This section of the brochure describes our code of ethics, adopted pursuant to SEC rule 204A-1, and how we deal with client and related person trading.*

### **Code of Ethics**

We have adopted a code of ethics designed to prevent and detect violations of securities rules by our employees and affiliated persons. Our controls in this area focus upon securities transactions made by our employees that have access to material information about the trading of CWM. We will provide a copy of our code of ethics to clients or prospective clients upon request.

### **Material Financial Interest**

From time-to-time the interests of the principals and employees of CWM will coincide with yours and other clients. Individual securities will be bought, held, or sold by a principal or employee of CWM that is also recommended to or held by you or another client. If potential insider information is inadvertently provided or learned by a principal or employee, it is our policy to strictly prohibit its use.

It is the policy of CWM to permit the firm, its employees and investment advisor representatives to buy, sell and hold the same securities that the investment advisor representatives also recommend to clients. It is acknowledged and understood that we perform investment services for different types of clients with varying investment goals, risk profiles, and time horizons. As such, the investment advice offered to you will differ from other clients and investments made by our investment advisor representatives. We have no obligation to recommend for purchase or sale a security that CWM, its principals, affiliates, employees, or investment advisor representatives may purchase, sell, or hold.

When a decision is made to liquidate a security from all applicable accounts, the trades of the clients and advisory personnel will be combined in a single block trade, and all trades will receive the average price. When client orders are not combined with advisory personnel priority will be given to client orders.

We have procedures for dealing with insider trading, employee-related accounts, “front running” and other issues that may present a potential conflict when buy/sell recommendations are made. These procedures include reviewing employee security transactions and holdings to eliminate, to the extent possible, the adverse effects of potential conflicts of interest on clients.

## **Item 12: Brokerage Practices**

*This sub-section of the brochure describes how we recommend broker-dealers for client transactions.*

### **Recommendation of a Broker / Custodian; Factors Considered in our Recommendations**

CWM does not maintain custody of your assets, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account to pay our fees or to direct funds to third parties you authorize (see Item 15—Custody, below). In all cases, client assets must be held with a “qualified custodian,” generally a broker-dealer or a bank. Although we occasionally work with other broker/dealers and custodians, we recommend 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 as we instruct them to. While we recommend you use Schwab, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We don’t open the account for you, though we assist you with the process and handle the administrative aspects.

When considering whether the terms Schwab provides are overall most advantageous to you when compared with other available providers and their services, we take into account a 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

- Capability to facilitate transfers and payments to and from accounts
- Breadth of available investment products
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services and willingness to negotiate prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below

### ***Schwab's Brokerage and Custody Cost***

Schwab generally does not charge clients separate fees 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. Schwab is also compensated by earning interest on the uninvested cash in Schwab's Cash Features Program or on any margin balance maintained in Schwab accounts, and from other ancillary services.

Most trades no longer incur commissions or transaction fees, though there are exceptions. Schwab discloses its fees and costs to clients and we take those costs into account when executing transactions on your behalf. Schwab charges you a flat dollar amount as "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 your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account.

Certain mutual funds and ETFs are also made available for no transaction fee; as a result many confirmations show "no commission" for a particular transaction. Typically, the custodian (but not CWM) earns additional remuneration from such services as recordkeeping, administration, and platform fees, for the funds and ETFs on their no-transaction fee lists. This additional revenue to the custodian will tend to increase the internal expenses of the fund or ETF. CWM selects investments based on our assessment of a number of factors, including liquidity, asset exposure, reasonable fees, effective management, and low execution cost. Where we choose a no-transaction fee fund or ETF, it is because it has met our criteria in all applicable categories.

### ***Products and Services Available to CWM from Schwab***

Schwab Adviser Services™ is Schwab's business serving independent investment advisory firms like CWM. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), some of which are not typically available to Schwab retail customers. Certain retail investors, though, may be able to get institutional brokerage services from Schwab without going through us or another adviser. 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 on an unsolicited basis (we don't have to ask for them) and at no charge to us. Following is a more detailed description of Schwab's support services.

### ***Schwab's Services that Benefit clients***

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. These services generally benefit you and your account.

### ***Schwab's Services that do not Directly Benefit Clients***

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:

- Provides access to client account data
- Facilitates trade execution and the allocation of blocked orders for multiple accounts
- Provide pricing and other market data
- Facilitate payment of CWM's fees directly from your account, if authorized in your advisory agreement
- Assistance with back-office functions, recordkeeping, and client reporting

### ***Schwab's Services that Generally Benefit Only Us***

Schwab also offers other services intended to help us manage and further develop our business enterprise, a number of which we make no use of (such as access to employee benefits providers and marketing consulting) but which are available. The services we do tend to make use of include:

- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Educational conferences and events
- Publications and conferences on practice management, business management, and industry data
- Occasional business entertainment of our personnel

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. If you did not maintain your account with Schwab, we would be required to pay for these services from our own resources. The software, technology, and account

access Schwab provides create an operational and compliance benefit for CWM that does not necessarily translate directly into a client benefit. While we believe that Schwab is quite competitive and provides good value to our clients overall, the efficiencies provided to CWM create an incentive for us to recommend Schwab over other custodians, even though other custodians offer similar services and support. In some cases, this means that clients could pay more for custody and execution through the custodian we recommend than through others. This is a conflict of interest which we mitigate through disclosure. We also review the capacities and costs of Schwab regularly to ensure that our clients are receiving quality executions and competitive pricing, as well as more intangible service benefits.

### ***Directed Brokerage***

Because we typically execute your investment transactions through the custodian holding your assets, we are effectively requiring that you “direct” your brokerage to your custodian, absent other specific instructions as discussed below. Because we are not choosing brokers on a trade-by-trade basis, we may not be able to achieve the most favorable executions for clients and this may ultimately cost clients more money. Not all investment advisers require directed brokerage.

Although not a normal business practice for Firm Name, we may permit clients to direct us to use brokers other than the custodian. If we agree to accommodate your request to do this, we will likely have little or no ability to negotiate commissions or influence execution price, and you will also not benefit from any trade aggregation we may implement for other clients. This may result in greater costs to you.

We do not use, recommend, or direct activity to brokers in exchange for client referrals.

### ***Aggregated or Block Transactions***

We routinely aggregate client transactions with those of other client accounts at the same custodian. This results in client trades being executed and billed at the same price. The flat commission rate we have negotiated with Schwab will be applied to each account participating in the transaction; for other custodians, the current commission schedule will apply and a discount may or may not be available for executing a block trade.

When we choose to place a block transaction, we issue instructions to purchase a particular number of shares or face amount of a security (usually an exchange traded fund or mutual fund) and all participating clients and their pro-rated shares of the block are known at the time of the transaction. We generally trade in liquid securities and partial allocations are not a concern under normal market conditions. However, should we not receive the full amount of the requested, or if multiple executions are required, the following apply:

- If the full amount we requested is not obtained (and we determine to stop trading), we will pro-rate the purchased shares equally across all participating accounts. However, if employee transactions are included in the block and only a partial fill is completed, employee transactions are excluded (per our Code) until all client trades are completed.

- If multiple fills occur to complete the full block, then all purchases are averaged to price and each participating client receives their full allocation at that average price.

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

*This section of the brochure describes how often client accounts are reviewed and by whom.*

### **Reviews**

CWM periodically reviews the securities held in its clients' investment supervisory accounts. The reviews are conducted by our investment and trading team and investment advisor representatives. Your accounts are reviewed at least quarterly for proper asset allocation to ensure they comply with your investment objectives and mandates. We also attempt to meet with you periodically to review changes in your financial situation, needs, or investment objectives, as well as the performance of the portfolio.

Financial plans are reviewed periodically and upon request.

### **Reports**

CWM does not prepare or send written reports to all clients. We have arranged for your independent qualified account custodians to prepare and distribute account statements directly to you not less than quarterly, detailing positions and activity in your account during the preceding statement reporting period. The statement will include a summary of all transactions made on your behalf, all contributions and withdrawals made to or from your account, all fees and expenses charged to your account, and the reported value of your account at the beginning and end of the period. The statement may be based upon information obtained from third parties.

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

*This section of our brochure discloses our arrangements with people who are compensated for referring us business.*

From time to time, clients require services that are outside the scope of the services provided by CWM (e.g., legal counsel, accounting, estate planners) and ask us for a referral. We can refer our clients to third parties, including persons or entities that provide professional services directly to our firm. These providers may also refer clients to us when their clients need the types of services we provide. Clients have no obligation to engage the services of any such introduced professionals. CWM does not pay a referral fee or receive compensation for any recommendation or endorsement to a third party.

CWM receives marketing support from certain vendors. This creates a conflict of interest which we mitigate by disclosing it and by selecting sponsors based on our assessment of investment opportunity, not the marketing support that the sponsor will provide.

We receive economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their



accounts at Schwab. We benefit from the products and services provided because the cost of these services would otherwise be borne directly by us, and this creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12-Brokerage Practices*).

## **Item 15: Custody**

*This section of the brochure encourages you to check the statements sent to you by your account custodian to ensure the accuracy of the fee calculation.*

Under Government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct advisory fees directly from your account or if you grant us authority to move your money to another person's account. You have authorized us to deduct periodic investment advisory fees directly from one or more of your accounts managed by CWM.

Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statement with the portfolio report you receive from us to compare amounts and the fee schedule outlined in your Investment Advisory Agreement.

Some clients have authorized CWM to manage their outside accounts to which we hold access credentials. In these situations, we are deemed to have custody of client funds or securities. As an internal control procedure, we have engaged an independent certified public accounting firm to conduct a surprise audit on those outside investment accounts for which we have access.

## **Item 16: Investment Discretion**

*This section of the brochure discloses the power we have to make trades in your account.*

CWM clients grant a limited power of attorney to select, purchase, or sell securities without obtaining your specific consent within the account(s) you have under our management. The limited powers of attorney are granted in the written proVest Program Investment Management Agreement entered into between us. There are no restrictions upon the securities that may be purchased, sold, or held in your account, unless you provide these restrictions to us in writing.

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

*This section of the brochure explains our proxy voting and your ability to get proxy voting information from us.*

CWM does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to the logistics of proxy filing; however, the Client retains the sole responsibility for proxy decisions and voting.

If the investment account is for a pension or other employee benefit plan governed by ERISA, you direct us not to vote proxies for securities held in the account, because the right to vote such proxies is expressly reserved for you or your plan fiduciary, not CWM.

## **Item 18: Financial Information**

*This section of the brochure is where investment advisors that collect more than \$1200 in fees per client, six months or more in advance would include a balance sheet.*

CWM is not aware of any circumstance that is reasonably likely to impair our ability to meet contractual commitments to you or our other clients.

We do not require pre-payment of investment advisory fees greater than \$1,200. We never require payment of fees more than six months in advance.

In the ordinary course of business, CWM, its owners, and its affiliated companies are routinely the recipient of questions, and complaints, or are defendants in, or parties to, threatened legal actions and proceedings.

Certain of these actions and proceedings are based on alleged securities violations, other laws, or breaches of contract. In certain of these complaints, claims for substantial monetary damages are asserted against us, our owners, and our affiliated companies.

In view of the inherent difficulty of predicting the outcome of such complaints, and particularly where the claimants seek very large or indeterminate damages or where the matters present novel legal theories, we cannot state with confidence what the eventual outcome of the pending matters will be, what the timing of the ultimate resolution of these matters will be, or what the eventual loss, fines, or penalties related to each pending matter may be.

In accordance with applicable accounting guidance, we establish reserves for litigation and regulatory matters when those matters present loss contingencies that are both probable and estimable. When loss contingencies are not both probable and estimable, we do not establish reserves. Loss contingencies are not both probable and estimable in the view of management, and accordingly, reserves have not been established for those matters. Based on current knowledge, we do not believe that loss contingencies, if any, arising from pending litigation and regulatory matters will have a material adverse effect on the consolidated financial position or liquidity of the Company.

## PRIVACY POLICY

Effective: April 25, 2023

### Our Commitment to You

Comprehensive Wealth Management, LLC. ("CWM" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

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

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

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

### Why do you need to know?

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

Social security or taxpayer identification number	Assets and liabilities
Name, address, and phone number(s)	Income and Expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

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

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

### How do we protect your information?

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

**How do we share your information?**

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

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

### Privacy Practices of Third Parties

Our website may feature links to third-party sites that offer goods, services, or information. We are not responsible for content or privacy policies or practices of any linked sites of any third parties. We encourage you to review each privacy policy before providing any personal information.

### Changes to our Privacy Policy

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

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

If you elect to receive this notice electronically from our website, any modifications will be incorporated into the language of the Policy immediately upon change.

### Steps you can take to help protect your confidential information:

- **Protect your Social Security number.** Provide your Social Security number only when absolutely necessary, and do not carry your Social Security card or any documents with your number with you.
- **Treat your mail and trash carefully.** To thwart an identity thief who may pick through your trash or recycling bins to capture your personal information, always shred your charge receipts, copies of credit applications, insurance forms, physician statements, checks, bank statements, credit and/or charge cards that you are discarding, and credit offers you get in the mail.
- **Be on guard when using the internet.** The internet can leave you vulnerable to online scammers, identity thieves, and more. For practical tips to help you be on guard against Internet fraud, securing your computer, and protecting your personal information visit [www.OnGuardOnline.gov](http://www.OnGuardOnline.gov).
- **Verify a source before sharing information.** Do not give out personal information on the phone, through the mail, or over the Internet unless you have initiated the contact or have verified the individual who is asking. Identity thieves are clever and may pose as representatives of banks, Internet Service Providers (ISPs), and even government agencies to get people to reveal their Social Security number, mother's maiden name, account numbers, and other identifying information.
- **Avoid email hack attacks.** In the most serious cases, a compromised email account can lead not only to identity theft, but also to theft of your money. That is why one of the most important first steps you should take if your email account has been hacked is to notify CWM and other financial institutions. Information regarding steps you can take if your email is hacked is located at [Hacked Email | FTC Consumer Information](#).

### Any Questions?

You may contact CWM by e-mailing [info@CWMnw.com](mailto:info@CWMnw.com), calling (425) 778-6160, via the [Contact Us](#) page on our website, or by writing to:

CWM  
Attn: Compliance  
3500 188th Street SW, Suite 102  
Lynnwood, WA 98037

## Brochure Supplement

### Brian Joseph Lockett

Comprehensive Wealth Management, LLC

3500 188<sup>th</sup> St SW, Suite 102

Lynnwood, WA 98037-4757

Telephone: 425-778-6160

Brochure Last Updated: August 21, 2024

This Brochure Supplement provides information about Brian Joseph Lockett that supplements the Comprehensive Wealth Management (“CWM”) Brochure. You should have received a copy of that Brochure. Please contact Christina Ybarra at 425-778-6160 if you did not receive the CWM Brochure or if you have any questions about the contents of this supplement. Additional information about Brian is available on the United States Securities and Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Educational Background and Business Experience

Brian Lockett was born in 1978. He graduated from Washington State University in 2001 with a Bachelor of Arts from the College of Business and Economics.

Brian is a CFP® practitioner. Certified Financial Planner Board of Standards, Inc. (CFP Board) owns the certification marks CFP® in the United States, which it authorizes use of by individuals who successfully complete CFP Board’s initial and ongoing certification requirements. A CFP® candidate must have a bachelor’s degree or higher from an accredited college or university, and 3 years full-time personal financial planning experience. The candidate must complete a CFP-board registered program or hold one of seven advanced degrees. CFP® candidates must pass the CFP® certification examinations. To maintain the designation, Brian must complete at least 30 hours of continuing education every two years. CFP® practitioners are also subject to strict adherence to the CFP Board’s Financial Planning Practice Standards and Professional Code of Ethics and Responsibility. CFP® professionals are also required to accept the CFP Board’s disciplinary decisions. The CFP Board has a practice of responding to the actions of regulatory bodies by routinely imposing their own similar sanctions; accordingly, they suspended Brian from the right to use the CFP® marks for 45 days in 2020, because of the FINRA suspension disclosed below.

#### Business Experience:

- Comprehensive Wealth Management, LLC, 2002-present, Vice President, Wealth Manager, Owner of CWM through B&S Lockett, Inc.
- Independent Financial Group, LLC, 2013-2024, Registered Representative
- Geneos Wealth Management, 2004-2013, Registered Representative
- Commonwealth Financial Network, 2002-2003, Registered Representative
- Compton Union Building at Washington State University, 2000-2001, Building Manager
- Washington State University, 1997-2001, Student

## Brochure Supplement

### Disciplinary Information

Investment advisor representatives must disclose specific civil, criminal, or regulatory matters, if applicable, as well as other matters, if they would be material to your evaluation of the representative providing investment advice. Brian has no civil or criminal events to disclose.

FINRA regulates broker-dealers and their representatives; CWM is an investment advisor regulated by the SEC, not by FINRA. In November 2019, FINRA entered into an *Acceptance, Waiver and Consent* with Brian. Without admitting or denying FINRA's findings, he settled the matter by consenting to the sanctions and to the entry of findings that he participated in a private securities transaction without providing prior written notice to his former broker-dealer (Geneos), in breach of NASD Rule 3040(b) and FINRA Rule 2010. He consented to a \$5,000 fine and a 45-calendar day suspension from association with any FINRA member firm in any capacity. Since CWM is not a FINRA member firm, Brian was able to continue serving as a CWM investment advisor representative during the suspension period. The findings stated that Brian introduced a private placement offering to an individual in July 2012, summarized the reasons he liked the investment, met with the individual to review and sign paperwork, and caused the paperwork to be submitted. The findings also noted that he did not receive compensation for his participation in the transaction. In addition, FINRA found that he attempted to prevent Geneos from discovering his assistance in the transaction by suggesting to the individual that future communications about the security take place via his personal email address. FINRA also noted that "Lockett does not have any disciplinary history with the Securities and Exchange Commission, any state securities regulators, FINRA, or any other self-regulatory organization." Because other regulatory and oversight bodies have independent powers to impose sanctions, even where those sanctions are duplicative, Brian has other disclosures related to the original issue described above. Brian is a resident of Washington State and Washington's Department of Financial Institutions (DFI) has a general practice of responding to the actions of other regulatory bodies by imposing their own parallel sanctions; accordingly, they entered an order in November 2020 to retroactively suspend Brian as an investment advisor representative for 45-days plus levy a fine of \$5,000 because of the previously-disclosed FINRA suspension. Without admitting or denying the findings, Brian consented to the fine and retroactive suspension.

### Other Business Activities

Brian may provide advice about matters other than securities. He may also act as an insurance agent. As an insurance agent, he will receive customary compensation based on whether, and in what amount, clients purchase insurance products through him. Clients are free to purchase insurance recommended by Brian through other, unaffiliated, insurance agents. Acting as both an investment advisor and an insurance producer creates a financial incentive for the investment advisor representative(s) to recommend insurance products that will generate customary commissions. The insurance-licensed investment advisor representative has an incentive to recommend insurance products based on the compensation received, rather than on your needs. Brian's primary business activity is as an investment advisor representative of CWM. insurance agent.

## **Brochure Supplement**

### **Additional Compensation**

As an indirect owner of CWM through B&S Lockett, Inc., Brian is allocated profits in proportion to his ownership percentage. To the extent CWM does well financially, including through adding new clients and generating additional revenues, the firm may also generate more profits, benefiting all owners, including Brian.

### **Supervision**

Comprehensive Wealth Management supervises its investment advisor representatives through a system of internal control procedures overseen by our Chief Compliance Officer, Christina Ybarra. This oversight includes review of client portfolios, investment advisor representative personal securities transactions and correspondence. You can reach her at 425-778-6160.



## Brochure Supplement

### Morgan Lewis Arford

Comprehensive Wealth Management, LLC

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Lynnwood, WA 98037-4757

Telephone: 425-778-6160

Brochure Last Updated: August 21, 2024

This Brochure Supplement provides information about Morgan Lewis Arford that supplements the Comprehensive Wealth Management (“CWM”) Brochure. You should have received a copy of that Brochure. Please contact Christina Ybarra at 425-778-6160 if you did not receive the CWM Brochure or if you have any questions about the contents of this supplement. Additional information about Morgan is available on the United States Securities and Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Educational Background and Business Experience

Morgan Arford was born in 1983. He graduated from Bellevue College with a Bachelor of Applied Sciences in DATA Analytics, Magna Cum Laude.

#### Business Experience:

- Comprehensive Wealth Management, LLC, 2001-present, Chief Investment Officer
- Independent Financial Group, LLC, 2013-2024, Registered Assistant
- Geneos Wealth Management, 2005-2013, Registered Assistant
- Cascadia Community College, 2012-2015, Student
- Bellevue College, 2016 – 2020, Student

### 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. Morgan has no legal or disciplinary events related to the financial services industry.

### Other Business Activities

As an indirect owner of CWM through FUPA, Inc., Morgan is allocated profits in proportion to his ownership percentage. To the extent CWM does well financially, including through adding new clients and generating additional revenues, the firm may also generate more profits, benefitting all owners, including Morgan.

### Additional Compensation

Morgan’s compensation comes solely from Comprehensive Wealth Management and is in part based upon the number of clients and size of accounts that he provides services to. He does not receive compensation from non-clients for providing advisory services.

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### **Supervision**

Comprehensive Wealth Management supervises its investment advisor representatives through a system of internal control procedures overseen by our Chief Compliance Officer, Christina Ybarra. This oversight includes review of client portfolios, investment advisor representative personal securities transactions and correspondence. You can reach her at 425-778-6160.

## Brochure Supplement

### Chase A. Ferderer

Comprehensive Wealth Management, LLC  
3500 188<sup>th</sup> St SW, Suite 102  
Lynnwood, WA 98037-4757  
Telephone: 425-778-6160  
Brochure Last Updated: August 21, 2024

This Brochure Supplement provides information about Chase Ferderer that supplements the Comprehensive Wealth Management (“CWM”) Brochure. You should have received a copy of that Brochure. Please contact Christina Ybarra at 425-778-6160 if you did not receive the CWM Brochure or if you have any questions about the contents of this supplement. Additional information about Chase is available on the United States Securities and Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Educational Background and Business Experience

Chase A. Ferderer was born in 1992. He graduated from Western Washington University in 2014 with a Bachelor of Arts in Economics. He has been licensed in the Financial Services industry since 2015.

#### Business Experience:

- Comprehensive Wealth Management, LLC, 2024 - present, Investment Advisor
- Independent Financial Group, LLC, 2024-2024, Registered Representative
- Allegiance Wealth Management, P.W.A of Ameriprise Financial Services, 2019 to 2023, Financial Advisor, Vice President
- Allegiance Wealth Management, P.W.A of Ameriprise Financial Services, 2019 to 2020, Financial Advisor
- Allegiance Wealth Management, P.W.A of Ameriprise Financial Services, 2019 to 2020, Apprentice, Financial Services
- Foresters Financial, 2015 to 2016, Registered Representative, Financial Services
- Northwestern Mutual, 2012, Financial Representative, Intern

### 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. Chase has no legal or disciplinary events related to the financial services industry.

### Other Business Activities

Chase may provide advice about matters other than securities. He may also act as an insurance agent. As an insurance agent, he will receive customary compensation based on whether, and in what amount, clients purchase insurance products through him. Clients are free to purchase insurance recommended by Chase through other, unaffiliated, insurance agents. Acting as both an investment advisor and an insurance producer creates a financial incentive for the investment advisor representative(s) to recommend insurance products that will generate customary commissions. The insurance-licensed investment advisor

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representative has an incentive to recommend insurance products based on the compensation received, rather than on your needs. Chase's primary business activity is as an investment advisor representative of CWM. insurance agent.

### **Additional Compensation**

Chase's compensation comes from Comprehensive Wealth Management and is in part based upon the number of clients and size of accounts that he provides services to. Chase shall also receive bonuses based on personal or company performance, as determined by CWM.

### **Supervision**

Comprehensive Wealth Management supervises its investment advisor representatives through a system of internal control procedures overseen by our Chief Compliance Officer, Christina Ybarra. This oversight includes review of client portfolios, investment advisor representative personal securities transactions and correspondence. You can reach her at 425-778-6160.

## Brochure Supplement

### Jason Heid

Comprehensive Wealth Management, LLC

3500 188<sup>th</sup> St SW, Suite 102

Lynnwood, WA 98037-4757

Telephone: 425-778-6160

Brochure Last Updated: August 21, 2024

This Brochure Supplement provides information about Jason Heid that supplements the Comprehensive Wealth Management (“CWM”) Brochure. You should have received a copy of that Brochure. Please contact Christina Ybarra at 425-778-6160 if you did not receive the CWM Brochure or if you have any questions about the contents of this supplement. Additional information about Jason is available on the United States Securities and Exchange Commission’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Educational Background and Business Experience

Jason Heid was born in 1984. He graduated from Ohio State University in 2006 with a Bachelor of Arts in Sociology. He has been licensed in the Financial Services industry since 2015.

Jason is a CFP® practitioner. Certified Financial Planner Board of Standards, Inc. (CFP Board) owns the certification marks CFP® in the United States, which it authorizes use of by individuals who successfully complete CFP Board’s initial and ongoing certification requirements. A CFP® candidate must have a bachelor’s degree or higher from an accredited college or university, and 3 years full-time personal financial planning experience. The candidate must complete a CFP-board registered program or hold one of seven advanced degrees. CFP® candidates must pass the CFP® certification examinations. To maintain the designation, Jason must complete at least 30 hours of continuing education every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*. CFP® practitioners are also subject to strict adherence to the CFP Board’s Financial Planning Practice Standards and Professional Code of Ethics and Responsibility. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certificate.

#### Business Experience:

- Comprehensive Wealth Management, LLC, 2021 - present, Financial Planner
- Independent Financial Group, LLC, 2021-2024, Registered Representative
- US Bancorp Investments, 2019 to 2021, Wealth Management Advisor
- US Bancorp Investments, 2015 to 2019, Registered Wealth Management Associate
- US Bank, 2014 to 2015, Personal Banker

### 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

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person providing investment advice. Jason has no legal or disciplinary events related to the financial services industry.

### **Other Business Activities**

Jason may provide advice about matters other than securities. He may also act as an insurance agent. As an insurance agent, he will receive customary compensation based on whether, and in what amount, clients purchase insurance products through him. Clients are free to purchase insurance recommended by Jason through other, unaffiliated, insurance agents. Acting as both an investment advisor and an insurance producer creates a financial incentive for the investment advisor representative(s) to recommend insurance products that will generate customary commissions. The insurance-licensed investment advisor representative has an incentive to recommend insurance products based on the compensation received, rather than on your needs. Jason's primary business activity is as a Financial Planner of CWM. insurance agent.

### **Additional Compensation**

Jason's compensation comes from Comprehensive Wealth Management and is in part based upon the number of clients and size of accounts that he provides services to. Jason shall also receive bonuses based on personal or company performance, as determined by CWM.

### **Supervision**

Comprehensive Wealth Management supervises its investment advisor representatives through a system of internal control procedures overseen by our Chief Compliance Officer, Christina Ybarra. This oversight includes review of client portfolios, investment advisor representative personal securities transactions and correspondence. You can reach her at 425-778-6160.