

# Yellowstone Wealth Advisors LLC



## Firm Brochure

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Form ADV Part 2, our "Disclosure Brochure" or the "Brochure," is required by the Investment Advisers Act of 1940 and this brochure includes important information about the qualifications, services and business practices of Yellowstone Wealth Advisors ("Yellowstone, YWA, Firm, us, we, or our").

If you have any questions about the contents of this Brochure, please contact us at 713-742-2730 or [james@ywealthadvisors.com](mailto:james@ywealthadvisors.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Yellowstone Wealth Advisors also is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Yellowstone Wealth Advisors LLC is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

### **Item 2 – Material Changes**

There are no material Changes in this updated brochure.

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## **Item 4 – Advisory Business**

### **a. Description of Firm**

Yellowstone Wealth Advisors (“YWA” or the “Firm”), is a registered investment adviser dedicated to delivering custom and comprehensive financial planning and advisory services for individuals, entrepreneurs, and small businesses. YWA is a Texas limited liability company (LLC) headquartered in Houston, licensed to provide financial advice in Texas, and was founded in 2021. The Managing Director (Founder) is James R. Langabeer II. He holds multiple advanced financial designations, including the Chartered Financial Consultant® and Certified Management Accountant. He earned a PhD in Business Administration concentrating in decision making at the University of Lancaster in England (one of the top 100 global business schools), a Master of Business Administration (MBA) degree in Finance from Baylor University, and a graduate Certificate in Financial Planning from Boston University. He is also a Behavioral Financial Advisor (BFA™). He has served as a company controller, executive of multiple small businesses, and a university professor before becoming a financial advisor. The firm’s values are rooted in disciplined and consistent financial decision making over a long-term horizon.

YWA’s investment and client advisory team provides depth of experience in small business financing, investment and financial analyses, and wealth management. Through either video-conferencing or in-person sessions, we are available to meet with clients across the state of Texas for financial planning and investment advising. We are a specialized boutique planning firm based in Rice Village, in central Houston.

We are an independent **fiduciary**. As a fiduciary to our clients, your goals are our first priority.

We are a fee-only provider of comprehensive financial planning and consulting, and specialize in holistic, client-centered financial planning for retirement, education, estates, and other life goals. We do not make recommendations that are inconsistent with our values, and we do not sell insurance products. Our investment advice will be focused on long-term diversified portfolios of mutual funds from a variety of investment companies, based solely on the client's preferences, risk tolerance, needs, and goals. We provide clients with comprehensive financial planning outlined by financial planning standards, which includes everything from running a business, to planning for your child's education, to preparing for eventual retirement or estate needs.

### **b. Types of Services Offered**

We offer three types of services: Comprehensive Financial Planning, Financial Coaching and Consulting, and Investment Services.

1. **Financial Planning:** Comprehensive Financial Planning include the initial development of a personal financial plan, based on the client's goals, objectives, time horizon, risk preferences, and needs. We begin with gathering data, analyzing cash and balance sheets, and we end up formulating written recommendations (the "plan"). We can help implement and monitor these recommendations as well. The scope selected is defined in advance and agreed upon between the Firm and the client in writing. Fees are defined in Item 5: Fees and Compensation.
2. **Financial Coaching:** For select small businesses and entrepreneurial start-up firms, we will provide fee-based coaching/consulting around financial and business processes of the organization. Examples of consulting projects taken include analyses of cash flow and development of financial pro-rata projections. We also offer daily money management services for those who need support with the daily activities, such as: reviewing bills, paying monthly invoices, providing budgets and cash management advice, notary services, and other daily financial matters for people who lack time for these activities. These services are typically based on daily or hourly rates, covered in Item 5 below.
3. **Investment Management Services:** Yellowstone Wealth Advisors LLC offers investment management services using one of our independent custodians (either Altruist Financial or Charles Schwab). Our investment style seeks alignment with our clients, and we involve them in the process. We utilize a participatory decision-making approach, where we will ask you to review and approve our recommendations prior to making trades. These investment recommendations are based on your goals and

objectives, tolerance for risk, needs, and other circumstances. These then inform our recommendations for target asset allocation. We currently utilize two different leading custodians, which will hold your investments (Schwab and Altruist Financial LLC). We start by using an Investment Policy Statement to understand your preferences and tailor investment recommendations based on a long-term, diversified portfolio approach, and will recommend investments in traditional securities such as mutual funds, exchange-traded funds (ETFs), equities, bonds, and cash instruments. We do not focus on non-traditional investment classes, such as hedge funds or cryptocurrency. With our approach, we will together review asset recommendations and then implement recommendations. YWA will provide ongoing and continuous guidance, as well as account management, as defined by our written engagement agreement with you.

#### **c. Tailored Services**

We tailor our services to the needs of each client. While some clients may have a need for investment recommendations, many might only need financial coaching. We will work with each client prior to the engagement to outline the precise scope and services to be provided.

#### **d. Wrap fee programs**

We do not provide wrap-fee services or programs.

#### **e. Discretionary Assets Under Management**

YWA has historically provided fee-based planning, and only recently began investment client assets. We do not currently have any discretionary assets under management, but we do offer this service.

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

Prior to engaging in providing services, the client and the firm will engage in a written agreement (“agreement”) for services to be signed by both parties. This agreement will disclose the specific scope, terms and conditions of the engagement. Any changes to this agreement will require revision to this agreement. The client-specific agreement will provide the actual terms, scope, and schedule of fees for each client.

#### **Financial Planning:**

- **Hourly Basis:** We will work with clients on an hourly basis of \$450 per planner-hour,

including both meeting and preparation time. Fees will be due in advance or at the time of this meeting, as set forth in the written agreement between the Client and the Firm. Billing for Financial Planning Services and Other Consulting Services is monthly in arrears or on completion.

- **One-time, Flat, or Project fee:** Clients pay a flat fee and make a deposit against the fee as agreed in advance and set forth in the written agreement between the Client and the Firm. The balance is due upon completion. For completion of a comprehensive financial plan, the flat-fee will start at \$5,000 depending on complexity.

### **Investment Management Services:**

- We provide both discretionary and non-discretionary investment services. Either way, our participatory approach asks clients to review and approve recommendations or transactions prior to execution. Fees for investment management services will be paid on a flat percentage (%) of assets under management (AUM).
- The fee is **1%** for all assets under management. Fees will be withdrawn from custodial accounts automatically on a monthly or quarterly basis.

#### **a. Other Fees and Expenses**

Clients should be aware that they will be responsible for all fees imposed by the custodian for trading and other related costs, which can include but not be limited to brokerage fees and commissions, mutual fund fees and loads, application fees, transaction costs, custodian fees, transfer fees, redemption fees on short-term investments, cashiering fees and/or taxes or penalties levied by governmental authorities. It is important to note that all fees charged to a client's account lowers the overall performance and returns of the account. Please review all fees and expenses related to your accounts.

#### **b. Termination of Services**

Clients pay fees quarterly retrospectively, but if clients do have a credit balance (for services rendered) they will receive a refund for unearned fees upon termination. We will use a pro-rata basis for determining the amount of the refund, based on the number of weeks expired in the current quarter (for example, 3 weeks into a 12-week quarter would result in a refund of 75% of the deposit).

#### **c. No Compensation for Sale of Securities**

YWA does not receive any compensation for the sale or disposition of any client assets. Clients

can implement any recommendations provided by the firm with any brokerage company. Please see Item 12 of this brochure for additional information.

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

YWA does not charge performance-based fees nor have any side-by-side arrangements.

### **Item 7 – Types of Clients**

YWA provides financial planning, investment advisory, financial consulting, and coaching to a wide variety of clients, including:

- Individuals
- Entrepreneurs and small businesses
- Family Offices
- Corporations or other business entities

We currently do not have a minimum portfolio or asset size for our clients.

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

#### **a. Methods of Analysis**

YWA uses screening and research tools to analyze and evaluate historical returns of potential investments. We use various financial databases to screen publicly traded companies to identify a smaller universe of candidates that meet our criteria for growth, value and income (dividends). We also rely on tools including Bloomberg and Morningstar Investor for investment ratings research. We also rely on other publications, SEC filings, and financial statements to assist with our analysis. Our investment selection process for fixed-income securities is based on the specific client's liquidity goals plus our view of the interest rate environment. This method of analysis is subject to market risks, defined below.

#### **b. Investment Strategies**

The primary investment strategy used to implement any investment advice is based on diversification and asset allocation with a long-term perspective. We will recommend strategies based on client goals and preferences. Our approach is generally conservative and focused on long-term performance.

#### **c. Risks of Material Loss**

Investing in any and all securities involves a risk of loss. Clients should be prepared for these losses. Over time, multiple risks arise, such as the risk that interest rates will rise or fall

(interest rate risk), or that the stock market could decline significantly (market risk or systematic risk). This risk includes the potential loss of the amount you invested plus any profits which you have not yet realized. Markets can be volatile and prices of stocks, bonds, commodities and other investments can fluctuate substantially over time. Liquidity risk is also important, since this might reduce the amount of liquid assets available to you. Other factors such as economic and political events also can affect the performance of your investments. There is no guarantee that you will not lose money or that you will meet your investment objectives. We encourage you to discuss any questions with us that may arise regarding our investment policies and philosophy, as well as your portfolio throughout the course of our relationship. Any investments could decrease in value as a result of the following events: market risks, interest rate risks, event risk (such as an adverse event impacting a company or a country), declines in liquidity (or solvency), domestic or foreign acts of terrorism, credit risk, and many others. Please carefully consider all risks before making investment decisions. Also, historical/past performance is not a guarantee of future performance.

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

Registered investment advisers are required to disclose all legal or disciplinary events that are material to a client’s evaluation of the firm or the integrity of its management. YWA has not been the subject of any disciplinary action.

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

YWA is not affiliated with any broker-dealer, futures commission merchants, commodity pool operator, or any other industry activity or affiliation. YWA does not receive compensation directly or indirectly from other advisers that creates a material conflict of interest, nor does it have other business relationships with advisers or partners that would create a material conflict of interest. YWA does however participate in lead referral networks where we pay monthly fees for leads that are referred to us (SmartAsset.com).

### **Item 11 – Code of Ethics**

Under the Advisers Act (Rule 204A-1 of the Investment Advisers Act of 1940), investment advisers are required establish, maintain and enforce a Code of Ethics. Additionally, advisers must adopt and implement policies and procedures to prevent the misuse of material non-public information. Most importantly, advisers have a fiduciary duty under the Advisers Act, to act in the best interest of each client.



#### **a. Code of Ethics.**

Yellowstone Wealth Advisors employees are subject to our YWA Code of Ethics. A copy of our firm's code of ethics will be available upon request to any client or prospective client upon request. This Code ensures the firm's employees uphold fiduciary standards for all our clients, placing client interests above all other considerations. Our Code embraces Integrity, Objectivity, Confidentiality, Competence, and Diligence. Violation of any of these would be grounds for dismissal from our firm. YWA's Code of Ethics also sets policies and procedures regarding personal securities transactions. We carefully monitor our firm's transactions and require disclosure and management of any conflicts of interests that may arise. The Managing Director is responsible for oversight and compliance of the firm.

#### **b. Related Party Transactions**

As a small boutique firm, we do not buy securities from, or sell securities to, our clients. We do not engage in "principal transactions" between advisors and clients. We also do not sell any securities directly or indirectly to clients, although we may have some of the same investments as what we recommend to clients. YWA is not a registered broker-dealer, nor do we have an affiliated broker-dealer. Accordingly, we never engage in agency "cross trades" between clients. As a fiduciary, the client's best interests are at the center of all transactions. More information can be found by contacting our principal at the email address on the over page.

### **Item 12 – Brokerage Practices**

We have a fiduciary responsibility to our clients. Our initial recommendations are reviewed and approved by clients, and then subsequent trades are typically made in active participation with the client if they involve changing investment types. We do not maintain an investment committee and the Founder/Managing Director performs investment research on all assets recommend to clients. We do not make any active trades on behalf of our clients without their initial review and approval.

#### **a. Selection of Broker-Dealers**

The Firm's Managing Director is responsible for identifying and recommending broker-dealers for clients in executing trades for client accounts, if they do not currently have one. The factors involved in the selection process include: overall financial condition of the BD; length of time in business; reputation; ease of access and use; and availability of a full range of investment services. The managing director is responsible for periodically conducting a formal review of

the Firm's relationships.

#### **b. Research and Soft-Dollar Benefits**

We have any arrangements to receive soft dollar benefits in connection with client securities transactions.

#### **c. Brokerage for Client Referrals**

We do not have any arrangements to receive client referrals from any broker- dealer or third party. We do not give or receive economic benefits for referring or referred clients.

#### **d. Custodian**

For the benefit of low commissions and fees, fully digital account opening, and security and integration features, YWA will use either the Charles Schwab Corporation or Altruist Financial LLC as the client's custodian. Schwab is one of the largest custodians, and provides a full range of brokerage, banking and financial advisory services. Altruist is an unaffiliated SEC-registered broker dealer and FINRA/SIPC member and the introducing broker to Apex Clearing Corporation. YWA does not receive any research or other soft-dollar benefit by nature of the relationship with either firm, nor do they receive any referrals in exchange. Clients who are financial planning only are free to use existing relationships with other large national brokers, such as Fidelity Investments or Vanguard.

#### **e. Aggregation of Orders**

We do not aggregate orders among our client portfolios. Our recommendations are based on each unique client's specific goals and requirements and investment recommendations are on a per-account basis. There could be a cost to clients for not aggregating, which could result in higher prices on a per-share basis.

### **Item 13 – Review of Accounts**

- a. All client's accounts that are managed are reviewed quarterly, as well as on a less than periodic basis as the market conditions change.
- b. Triggers that might cause a review would include substantial change in investment balances via deposits or withdrawals, or changes in the client's financial situation. All accounts are reviewed by the financial advisor.
- c. Reports are provided quarterly to clients with assets under management, directly by the custodian. Fees are withdrawn from those custodial balances. We do not send

separate reports to our clients.

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

In general, it is our policy that we do not pay referral fees to other parties for introducing clients to us, however YWA does currently participate in the SmartAsset.com referral network. SmartAsset connects consumers to local financial advisors. YWA pays a participation fee to be part of that network and to receive leads from the site. We may also participate with other advertising or lead generation tools in the future.

#### **Item 15 – Custody**

YWA does not hold constructive custody of any accounts. All client funds are held in one of our custodial partners, and (per Advisers Act, Rule 206(4)-2). We do not take custody of the client's assets but rather they are invested with an independent custodian. All YWA fees will be paid through one of the forementioned methods in Item 5. Fees will be paid monthly or quarterly retrospectively by directly deducting any fees from client's accounts. Clients will receive quarterly statements direct from the custodian and these reports should be reviewed by client's carefully to ensure no discrepancies or errors are made.

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

We actively engage clients in portfolio selection based on our recommendations. Our research involves examining historical and current performance, and identifying the optimal mix of assets. All recommendations are shared with clients for their review prior to execution.

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

YWA does not have the authority to vote client securities. Our policy is to not vote any proxies on behalf of its clients and therefore, we have no obligation to take any action or render any specific advice. Clients retain all responsibility for receiving and voting all proxies for securities held within their account. We may answer client questions regarding proxy matters however, but final authority rests with the client.

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

- a. Although registered investment advisers are required to provide clients with financial information and disclosures about their financial condition, these do not apply to YWA since we do not solicit more than \$1,200 in prepaid fees per client, six or more months in advance.

- b. We attest that our Firm is financially sound and does not have any financial condition that would impair its ability to meet contractual or fiduciary commitments to clients.
- c. YWA has not been the subject of any bankruptcy proceedings.

### **Item 19 – Requirements for State-Registered Advisers**

Information about the background and experience of our Firm’s Founder and Managing Director is provided under Item 4. James Langabeer, PhD, MBA, CMA, ChFC® holds advanced business degrees from leading universities, has multiple financial certifications and designations. More complete information about his background can be found on our website listed on the brochure cover.

We do not utilize performance-based fees. YWA or the Principal have never been the subject of any liability claims or proceedings. We do not have any other non-disclosed relationships with any issuer of securities.