

# SEC Form ADV Part 2A

## “Firm Brochure”

### Item 1 – Cover Page

## **Strait Direction Wealth Management, LLC.**

Name: Rosie George  
Address: 3794 Grosvenor Road  
South Euclid, OH 44118  
Phone: 216/406-7214  
Email: rlgeorge3794@gmail.com

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This Brochure provides information about the qualifications and business practices of Strait Directions Wealth Management, LLC (hereinafter “SDWM,” “Advisor” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us by telephone at 216/406-7214 or by email at rlgeorge3794@gmail.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

SDWM is a registered investment advisor. Registration of an Investment Advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor.

Additional information about us is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Material Changes**

This is the initial Firm Brochure filing.

**Item 3 - Table of Contents**

Form ADV - Part 2A (Firm Brochure)..... i  
Item 1 – Cover Page ..... i  
Item 2 – Material Changes ..... ii  
Item 3 -Table of Contents..... iii  
Item 4 – Advisory Business ..... 1  
Item 5 – Fees and Compensation ..... 3  
Item 6 – Performance-Based Fees and Side-By-Side Management ..... 5  
Item 7 – Types of Clients ..... 5  
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss..... 5  
Item 9 – Disciplinary Information ..... 7  
Item 10 – Other Financial Industry Activities and Affiliations ..... 7  
Item 11 – Code of Ethics ..... 7  
Item 12 – Brokerage Practices ..... 7  
Item 13 – Review of Accounts ..... 9  
Item 14 – Client Referrals and Other Compensation..... 9  
Item 15 – Custody ..... 10  
Item 16 – Investment Discretion..... 10  
Item 17 – Voting Client Securities..... 10  
Item 18 – Financial Information..... 10  
Item 19 – Requirements for State-Registered Advisers..... 11

## **Item 4 - Advisory Business**

### **Description of Advisory Firm**

Strait Direction Wealth Management, LLC, founded in 2021, provides personalized, confidential financial planning and investment management services to middle class to high-net worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include, but is not limited to: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

#### **A. Principal Owners**

Listed below are the Firm's key personnel and equity holders:

- Rosie George 100%

#### **B. Types of Advisory Services**

SDWM provides comprehensive financial planning with investment management services, and guides through consultations.

On more than an occasional basis, gives advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and estate planning.

The terms of individual managed accounts are negotiated separately with each distinct Client. Clients may impose modest restrictions or limitations on SDWM's management of their portfolio. These restrictions or limitations, along with additional details regarding services, fees, investor suitability standards and other specific terms applicable to Clients, are set forth in the investment policy statements between the Client and SDWM.

Below are the guidelines that are followed when managing a client's portfolio:

- 1) Investment objectives are identified by assessing the client's risk tolerance, liquidity needs, income requirements, emphasis on growth, and emotional tolerance for volatility. Information provided by the client will be collected during meetings, interviews, and/or questionnaires;

- 2) After analyzing a client's financial situation and formulating an investment policy statement, we implement the investment strategy through an appropriate combination of stocks, bonds, exchange traded funds, cash equivalents, and selection of individual securities. Clients can instruct us not to buy certain securities or types of securities;
- 3) Capital market conditions and client circumstances are monitored; and
- 4) Portfolio adjustments are made as appropriate to reflect significant changes in any or all of the above variables.

Agreements may not be assigned without client consent.

### **C. Types of Agreements**

The following agreements define the Firm's typical client relationships:

***Financial Planning Agreement.*** A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed. The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

***Retainer Engagements.*** Retainer fees are subjectively computed based on the client's income, assets, and net-worth, with consideration given to other subjective factors unique to the client's situation. The minimum first year retainer fee ranges from **\$2,500 to \$6,000**, although exceptions may be made if circumstances dictate. Renewal fees are computed in a similar fashion and may be more or less.

***Hourly Planning Engagements.*** SDWM provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is negotiable on a case-by-case basis.

### **Asset Management**

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. SDWM does not receive any

compensation, in any form, from fund companies.

Initial public offerings (IPOs) are not available through SDWM.

### **Termination of Agreements**

A Client may terminate the aforementioned agreements at any time, by notifying SDWM in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, SDWM will refund any unearned portion of the advance payment.

Similarly, SDWM may terminate the agreement at any time, by notifying the client in writing, either party must provide 15 calendar days written notice. If the client made an advance payment, SDWM will refund any unearned portion of the advance payment.

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

SDWM does currently participate in any wrap fee program.

### **E. Amount of Managed Assets**

As of 6/7/2021 SDWM manages approximately \$0 in assets. All of assets received are managed on a discretionary basis.

## **Item 5 – Fees and Compensation**

***Financial Planning Agreement.*** Strait Direction Wealth Management LLC charges a flat fee for a comprehensive financial plan ranging from \$500 to \$6,000. Financial plans are priced according to the degree of complexity.

***Retainer Engagements.*** Retainer fees are subjectively computed based on the client's income, assets, and net-worth, with consideration given to other subjective factors unique to the client's situation. The minimum first year retainer fee ranges from **\$2,500 to \$6,000**, although exceptions may be made if circumstances dictate. Renewal fees are computed in a similar fashion and may be more or less.

***Hourly Planning Engagements.*** Hourly planning engagements are provided on an hourly basis at the current rate of **\$125/hr.**, based on complexity of the situation. A quote for the estimated number of hours required for services will be provided in introductory meeting and can be found on the attached fee schedule (Schedule A).

***Asset Management Fee.*** Investment management fees are billed monthly, in advance, in that the firm invoices our clients on the **first day of each calendar month**. Fees may be deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

The annual fee table is show below:

Strait Direction Wealth Management, LLC – Form ADV Part 2A (“Brochure”)

Page 3 of 11

## **ASSET MANAGEMENT**

SDWM offers direct asset management services to advisory Clients. SDWM charges an annual investment advisory fee (billed monthly) based on the total assets under management as follows:

<b>Assets Under Management</b>	<b>Annual Fee</b>	<b>Monthly Fee</b>
\$0 - \$5,000,000	1.35%	0.1125%
\$5,000,001 +	Negotiable	(divided by 12 installments)

This is a flat fee schedule; the asset management fee is calculated by applying one flat rate to each of the client's account(s).

For example, a Client with \$500,000 in a particular account under management would pay **no more than \$6,750.00** on an annualized basis billed in monthly installments:

$$\mathbf{\$500,000 \times 1.35\% / 12 \text{ months} = \$562.50 \text{ per month}}$$

The annual fee may be negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

Fees are billed monthly in advance based on the amount of assets managed as of the close of business on the last business day of the previous month. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. Clients may terminate advisory services with thirty (30) days written notice. For accounts opened or closed mid-billing period, any unpaid earned fees will be due to SDWM. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs

***Other Fees & Expenses.*** Our investment management fees do not include certain other fees and expenses. The client pays all brokerage commissions and similar transaction fees in connection with account transactions from the assets in the account. These fees are charged directly by and paid to the custodian. In addition, mutual funds and exchange-traded funds have an expense ratio that represents the percentage of the fund's asset value charged as an

expense for operating the fund. Mutual fund shares or ETF shares in a client's account may be subject to other fees and expenses that are described in the fund prospectus. These other fees and expenses are not paid to us.

***Expense Ratios.*** Advisory fees charged by the advisor are separate and distinct from fees and expenses charged by mutual and/or exchange traded funds, which may be recommended to clients. Additionally, the fees charged by the advisor are exclusive of any costs related to custodian, broker, or any other third parties. Clients should review all fees charged by the advisor, custodian, broker or any other third parties to fully understand the total amount of fees incurred.

***Past Due Accounts and Termination of Agreement.*** Either the advisor or the client may terminate the agreement in writing at any time. The client is responsible to pay for services rendered until the termination of the agreement. Upon termination, the client shall receive a pro-rata refund of that portion of any prepaid advisory fees that have yet to be earned by SDWM. 15 calendar day notice is required of termination by either firm or client.

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

SDWM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

SDWM generally provides investment advice to middle and high net worth individuals, and small businesses.

There is no minimum account size, nor minimum annual fee.

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

##### **A. Methods of Analysis & Investment Strategies**

When selecting investments, SDWM's main sources of information include trade journals, websites, and virtual conferences sponsored by third party vendors. Other sources of information that SDWM may use, include custodian-provided research.

The primary investment strategy used on client accounts is a passive investment strategy of buy and hold. The strategy is applied by buying investment securities and holding them for long periods of time because the investor believes that long-term returns can be reasonable despite the volatility characteristic of short-term periods. Portfolios are diversified to help manage the risk associated with traditional markets.

The investment strategy for each specific client is based upon the objectives stated during consultations. The client may change these objectives at any time. Each client executes an



Investment Policy Statement that documents their objectives and their desired investment strategy.

## **B. Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks.

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Securities investments are not guaranteed and you as clients may lose money on your investments. Asset allocation and diversification are the firm's primary tools for controlling risk. SDWM seeks to ensure that our clients' mix of assets is appropriate for their temperament, desire for growth, tolerance of risk, need for liquidity, etc.

The summary of material risks provided above is not meant to be a complete description of every risk that may be applicable. All investment activities involve a high degree of risk, including the possible risk of loss of an investor's entire investment. The information contained herein is a summary only.

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

SDWM has not been involved in legal or disciplinary events related to past or present investment clients.

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

SDWM has no other financial industry activities or affiliations at this time. Ms. George is licensed to sell insurance and owns Mitchell Financial Services, a tax preparation/accounting business.

### **Item 11 – Code of Ethics**

SDWM has adopted a Code of Ethics (hereinafter referred to as the "Code") in accordance with Rule 204A-1 of the Investment Advisers Act of 1940 (hereinafter the "Advisers Act"). The purpose of the Code is to set forth certain key guidelines that have been adopted by us and to specify the responsibility of our personnel to act in accordance with their fiduciary duty to our clients and to comply with applicable federal and state laws and regulations. The Code requires that all employees conduct themselves in accordance with the highest ethical standards, which should be premised on the concepts of integrity, honesty, and trust. The Code additionally includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons must acknowledge the terms of the Code of Ethics.

A copy of SDWM's Code of Ethics is available upon request.

### **Item 12 – Brokerage Practices**

#### **1. Research and Other Soft Dollar Benefits**

SDWM does not receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits").

In addition, SDWM does not:

- a. Use client brokerage commissions (or markups or markdowns) to obtain research or other products or services;
- b. Have an incentive to select or recommend a broker-dealer based on SDWM interest in receiving the research or other products or services, rather than our clients' interest in receiving most favorable execution;
- c. Cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up);
- d. Use soft dollar benefits to service any of our clients' accounts nor seek to allocate soft dollar benefits to client account proportionately to the soft dollar credits the accounts generate;
- e. Acquire, nor any related persons acquire, any types of products and services with client brokerage commissions (or markups or markdowns) within the last fiscal year;
- f. Direct client transactions to a particular broker-dealer in return for soft dollar benefits received.

## **2. Selecting Brokerage Firms**

SDWM does not have any formal affiliation with product sales firms. SDWM only uses Shareholder Services, Inc. for its brokerage affiliation for all Clients.

## **3. Best Execution**

It is SDWM's policy to obtain best execution when effecting transactions on behalf of our Clients. In light of this policy, we seek to execute securities transactions for Clients in such a manner that the Client's total cost or proceeds in each transaction is the most favorable given the circumstances.

SDWM reviews the execution of trades at Shareholder Services, Inc. each quarter. Trading fees charged by the custodian are also reviewed on a quarterly basis. The review is documented in the SDWM Best Execution file. SDWM does not receive any portion of the trading fees.

SDWM does not have the ability to execute transactions on behalf of clients where we do not have affiliation. Client is responsible for executing transactions with non-affiliated brokerage accounts and any costs related to those transactions.

#### **4. Aggregation**

We may aggregate our employee trades with client transactions where possible and when consistent with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

In deciding whether aggregation is appropriate, SDWM may consider the appropriateness of the investment based on the diversity of objectives and risk tolerances among Clients. Other factors that may be considered include, but are not limited to, client-imposed limitations, differences in the timing of capital contributions and withdrawals to and from each Client, available capital, liquidity needs of a Client and domicile of a Client.

#### **Item 13 – Review of Accounts**

##### **A. Regular Reports**

Account reviews are performed at least annually by Rosie George who reviews in detail the increase or decrease in the net asset value of an investor's account during the preceding quarter. SDWM may supplement the reviews or perform them more frequently, when market conditions dictate.

##### **B. Review Triggers**

Conditions that may trigger a review are changes in the tax laws, new investment information and changes in a client's own situation. General conditions in the stock and bond markets are continuously monitored. Factors triggering reviews of client portfolios include changed circumstances of the clients; changed general conditions in the stock and bond markets; and changes in the individual's securities owned by clients. Moreover, any discrepancies among our internal records, or that of the custodian will trigger an off-cycle review of the Firm's accounts.

##### **C. Periodic Reviews**

Account reviews are conducted by Rosie George who contemplates the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client. Client accounts are reviewed on a periodic basis, but not less than quarterly. The written updates may include a portfolio summary, asset allocation update, market commentary and portfolio returns.

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

SDWM could receive referrals from current clients, attorneys, accountants, friends and other

similar sources. The firm does not compensate for these referrals. Moreover, SDWM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to the firm.

### **Item 15 – Custody**

All assets are held at a qualified custodian, which means the custodian provides account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodian to any documentation or reports prepared by SDWM.

SDWM is deemed to have limited custody solely because advisory fees are directly deducted from client's accounts by the custodian on behalf of SDWM.

SDWM is not affiliated with the custodian. The custodian does not supervise SDWM, its agents or activities.

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

SDWM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, SDWM observes the investment policies, limitations, and restrictions of the clients for which it advises. SDWM consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

A limited power of attorney is a trading authorization for the aforementioned purpose. Clients of SDWM sign a limited power of attorney so that the firm may execute the trades that have been approved.

All investment guidelines and restrictions are documented in writing.

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

SDWM does not have the authority to vote proxies solicited by or with respect to the issuers of securities held in client account(s). Clients are expected to vote their own proxies.

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

SDWM does not:

- a. Require or solicit prepayment of more than \$500 in fees per client, six months or more in advance;
- b. Have discretionary authority or custody of client funds or securities, require or solicit

- prepayment of more than \$500 in fees per client, six months or more in advance;
- c. Have any financial impairment that will preclude the firm from meeting contractual commitments to clients and has not been the subject of a bankruptcy proceeding.

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

- A. The principal executive officer of SDWM is Rosie George. There are currently no other employees. Her education and business background information are located in the SDWM Part 2B supplemental brochure.
- B. Rosie George is not currently actively engaged in any other business.
- C. Rosie George is not compensated for advisory services with performance-based fees.
- D. 1. Rosie George has not been involved in an award of otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500 involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.
2. Rosie George has not been involved in an award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.
- E. Rosie George does not have a relationship or arrangement with any issuer of securities.