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DISCLOSURE BROCHURE

[www.dstwm.com](http://www.dstwm.com)

March 28, 2024

This brochure provides information about the qualifications and business practices of DST Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (858) 449-3545. 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.

DST Wealth Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

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

**Item 2: Material Change**

Robert Binkele is no longer a dual registered advisor.

If you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (858) 449-3545 or by email at <mailto:admin@dstwealthmanagement.com>.

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#### **Item 4: Advisory Business**

DST Wealth Management, LLC (Adviser) is a Limited Liability Company organized under the laws of the state of California. Adviser is registered with the SEC and was founded in 2019. Edward R. Woolery is the principal owner of Adviser.

#### ***Adviser Managed Account***

We work with you to identify your investment goals and objectives, as well as risk tolerance, in order to create an initial portfolio allocation designed to complement your financial situation and personal circumstances. The investment strategies utilized, and portfolios constructed and managed depend on your investment objectives and goals as provided to the investment adviser representative (“IAR”) and the management style of the IAR.

The IAR may purchase, sell, and/or exchange securities including, but not limited to, mutual funds, equities, options, fixed income instruments, closed-end mutual funds, exchange traded funds, and variable life and annuity subaccounts. Model portfolios and margin may be used as a part of this strategy. However, you have the opportunity to place reasonable restrictions on the type of investments to be held in the portfolio. The IAR may periodically rebalance your account to maintain the initially agreed upon strategic and tactical asset allocation. However, no changes are made to the agreed-upon asset allocation in non-discretionary accounts without your prior review and consent.

#### ***Other Third-Party Investment Advisory Services***

In addition to the aforementioned advisory services, we have also entered into agreements with various other third-party investment advisers (“Third Party Advisory Service”) for the provision of certain investment advisory services. We will provide individualized advisory services to you through the selection of a suitable third-party investment manager. Factors considered in the selection of a Third-Party Advisory Service include but may not be limited to: each individual IAR’s preference for a particular third-party investment manager; your risk tolerance, goals and objectives, as well as investment experience; and, the amount of your assets available for investment.

Whenever a client selects the services of a third-party manager, the client will receive a disclosure brochure similar to this one describing the manager and the services it provides. The client may also receive a disclosure brochure or a brochure supplement describing each individual portfolio manager selected. Clients should read these disclosure brochures carefully before deciding whether to select a particular portfolio manager.

In order to assist you in the selection of a third-party investment manager, we will typically gather information from you about your financial situation and investment objectives.

Adviser does not sponsor or participate in any wrap fee programs.

#### ***Private (Alternative) Investments***

We give certain clients the option of investing in private investments. Specifically, some clients may be invested in Kelly Mine Investment, LLC (“Kelly Mine”), a private company in California

which is involved in gold mining exploration and development, and may invest in B & N Mining Properties, LLC (“B & N Properties”), also a private company in California which is involved in gold mining exploration and development and the sister company of Kelly Mine. Robert Binkele, an IAR of our firm, is a majority owner, shareholder, director and officer of B & N Mining, Inc., which is the Manager and parent company of both Kelly Mine and B & N Properties. Both Kelly Mine and B & N Properties are a private investments recommended by Mr. Binkele to some of our clients depending on their goals and investment objectives. B & N Mining, Inc. is Manager and majority owner of both Kelly Mine and B & N Properties, and as such, has full control over the management of the investment. While Mr. Binkele will not receive any direct selling compensation for these investments nor any fees for managing either or these assets for our clients who choose to invest in these investments, a conflict of interest could still arise with respect to Mr. Binkele’s fiduciary duty to his clients. Any investment by Mr. Binkele’s clients in Kelly Mine or B & N Properties would benefit Mr. Binkele personally because it would increase the prospective value of his ownership of B & N Mining, Inc. Additionally, Mr. Binkele may be conflicted when exercising his judgment as an owner of B & N vis a vis providing advice and acting in the best interests of his investment advisory clients. Mr. Binkele may make a decision that is more advantageous to the investors in Kelly Mine and/or B & N Properties or B & N Mining, Inc. and less advantageous to his investment advisory clients.

Due to strict regulatory requirements, only certain clients may invest in private investments. Prior to recommending private investments, we are required to have a reasonable belief that the client is, at a minimum, an “accredited investor.” An “accredited investor” is a client who primarily has over \$1 million in total net worth exclusive of their primary residence, or individual income of greater than \$200,000 the previous two years with a reasonable expectation of the same in the current year, or the client and spouse had a combined income of \$300,000 per year the previous 2 years and expect to do the same the current year. An accredited investor may meet additional criteria as stated by the SEC. Please read the Risk and Conflict of Interest Disclosure Statements to Prospective Investors in Preferred Membership Interests of Kelly Mine and B & N Properties, as applicable, which accompany the Private Placement Memorandums of Kelly Mine and B & N Properties prior to making an investment decision.

Clients of the Adviser are in no way obligated to invest in Kelly Mine or B & N Properties. If, after reviewing both the Risk and Conflict of Interest Disclosure Statement to Prospective Investors in Preferred Membership Interests of Kelly Mine and/or B & N Properties, as applicable, and the Private Placement Memorandum of Kelly Mine and/or B & N Properties, as applicable, clients of the Adviser decide to invest in Kelly Mine and/or B & N Properties, those clients will not be charged any transaction fee nor the standard percentage of assets under management as stated below under *Item 5 – Fees and Compensation*. Investment funds will be held in an escrow account and our firm will not have physical custody of these assets.

Mr. Binkele is also a shareholder and 1.9% owner of AscentX Medical, Inc. Mr. Binkele may recommend AscentX Medical, Inc., a non-traded offering, as an investment to accredited investors. Recommending an investment in which Mr. Binkele has a financial interest presents a conflict of interest because it creates an incentive to make that recommendation based on his financial interest in the investment and the amount of compensation he will receive rather than based upon your needs.

Mr. Binkele will explain the specific conflicts and costs associated with any investment in AscentX Medical, Inc. You are under no obligation to purchase or sell any investments in which Mr. Binkele has a financial interest.

### ***Needs and Restrictions***

In managing your investment portfolio, we consider your: financial situation, risk tolerance, investment horizon, liquidity needs, tax considerations, investment objectives, and any other issues important to your state of affairs. You should notify us promptly of any changes in your financial situation or investment objectives or if you wish to impose any reasonable restrictions upon the management of your account.

### ***Assets under Management***

As of March 25, 2024, we managed approximately \$402,135,546 in client assets on a non-discretionary basis. Approximately \$3,060,000 in client assets were managed on a discretionary basis where our clients made the investment decisions based upon our recommendations.

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

We offer our services on a fee-only basis. Fees are charged in arrears on a monthly or quarterly basis. Our fee may be calculated based upon the market value of the assets in your account on the last day of the previous month or it may be based on the average daily balance in the account depending on the program chosen.

Our management fee for the Adviser Managed Account is individually negotiated with each client taking into account the specific needs of each customer. Our advisory fee will not exceed 2%. Fees may be negotiable at the sole discretion of the adviser. Advisory fees are calculated on the total value of your account including any margin balances. All flat fees are billed in arrears on a monthly or quarterly basis. All flat fee arrangements must be approved, in writing, by the firm's Chief Compliance Officer.

Should you decide to utilize the services of The Estate Planning Team and a trust is created, you may choose to have the Adviser manage that trust portfolio. If the trust selects the Adviser to manage the trust account, our fee is individually negotiated with each trustee, taking into account the specific needs of the trust. Clients are advised that our fees may be more or less costly than other advisers. There is no requirement that the client engage the Adviser to manage the trust portfolio or otherwise conduct business with the Adviser.

Both the third-party managers fee and the Advisers fee will calculate by the third-party manager and a management fee will be charged for your account in accordance with their client agreement and the disclosures in their Brochure. Fees in third-party management arrangements can range from .50% to 2% depending on the program selected. Adviser is compensated from the fees charged by the third-party adviser. For third-party Adviser fees in third-party programs may be negotiable depending on the program selected. Please consult these program documents carefully before investing.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians (“custodian/ broker-dealer”). Your custodian/broker-dealer determines the values of the assets in your portfolio. Fees for the initial period are based on the value of your cash and securities on the date the custodian/broker-dealer receives them and are prorated based upon the number of calendar days in the calendar month that our agreement is in effect. Similar services may be available from other registered investment advisers for lower fees.

### ***General Fee Information***

You must authorize us in writing to have the custodian pay us directly by charging your account. Fees are deducted monthly.

Your custodian/broker-dealer provides you with statements that show the amount paid directly to us. You should review and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

In addition to our fee, you may be required to pay other charges such as: custodial fees, brokerage commissions, transaction fees, SEC fees, internal fees and expenses charged by mutual funds or exchange traded funds (“ETFs”), and other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectus for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses. The Adviser will not receive any portion of the additional fees that are paid by clients in connection custodian fees, mutual fund expenses, brokerage fees, other transaction costs.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

Advisory fees are charged in arrears on a monthly basis. Should you terminate the advisory agreement we have entered into within five (5) business days from the date the agreement is executed, you will receive a full refund of any fees paid.

Adviser may, in its sole discretion, charge a flat advisory fee for clients that negotiate and agree to that option.

Should either one of us terminate the advisory agreement we have entered into before the end of a billing period, any unearned fees that were deducted from your account will be returned to you by us. The amount refunded to you is calculated by dividing the most recent advisory fee you paid by the total number of days in the month. This daily fee is then multiplied by the number of calendar days in the month that our agreement was in effect. This amount, which equals the amount we earned for the partial month, is subtracted from the total fee you paid in advance to determine your refund.

Our IARs are also licensed with various insurance companies. Commissions may be earned by our IARs if insurance products are purchased through these insurance companies.

We may receive benefits such as assistance with conferences and educational meetings from product sponsors.

Our IARs may also recommend various asset management firms through their affiliation with Adviser. If you establish an investment advisory relationship with one of these firms, our IARs share in the advisory fees you pay to these asset management firms.

The above arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation we receive rather than based upon your needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

#### **Item 6: Performance-Based Fees**

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

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

We provide advisory services primarily to individuals, and high net worth individuals, including their trusts, estates and retirement accounts. We also provide services to corporations or business entities. Certain Adviser approved Third Party Investment Advisory Services have a required minimum dollar value for managing client assets ranging from \$25,000 to \$250,000.

There is no account minimum for the Adviser Managed Account Program.

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

We select specific investments for your portfolios through the use of fundamental, cyclical, and technical analysis, as well as charting.

Fundamental analysis is a method of evaluating a company that has issued a security by attempting to measure the value of its underlying assets. It entails studying overall economic and industry conditions as well as the financial condition and the quality of the company's management.



Earnings, expenses, assets, and liabilities are all important in determining the value of a company. The value is then compared to the current price of the issuing company's security to determine whether to purchase, sell or hold the security. The risks of fundamental analysis include: 1) that information obtained may be incorrect and 2) that the security may be already fairly valued based on factors not apparent in the analysis.

Cyclical analysis is a form of fundamental analysis that involves the process of making investment decisions based on the different stages of an industry at a given point in time. Economic/business cycles may not be predictable and may have many fluctuations between long-term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy. Therefore, the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would result from these changing trends.

Technical analysis is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where such trends develop, unforeseen factors could shorten them. Another limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may suggest investment decisions be made in response to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may underperform other trading methods when fundamental factors dominate price moves within a given market.

Charting involves identifying patterns that can suggest future activity in price movements. A chart pattern is a distinct formation on a stock chart that creates a trading signal or a sign of future price movements. Chartists use these patterns to identify current trends and trend reversals to trigger buy and sell signals. Some of the chart types are Line Charts, Bar Charts, Candlestick, Point and Figure, etc. Charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Our investment strategies may include long-term and short-term purchases and sales, trading (securities sold within 30 days) and the use of options, margin, and short sales. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in: loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. Additionally, these risks may include: market risk, interest rate risk, issuer risk, and general economic risk.

## Risks Associated with Particular Investments

Described below are some risks associated with specific types of investments that an IAR may recommend. Many of these investments are usually sold by use of a prospectus or other offering document. Clients should review those documents carefully for more detailed information regarding risk.

### Mutual Funds

A mutual fund is a company organized to aggregate the funds of individual investors into a pool that invest in securities such as stocks, bonds, and short-term debt. The assets of the mutual fund are known as its portfolio. Individual investors purchase shares in the mutual fund. These shares represent the investor's ownership in the mutual fund and the income or capital gains that it generates. The combined holdings of the mutual fund are known as its portfolio. Investors buy shares in mutual funds. The investor may lose some or all of the money that they invest because the securities held by a fund can go down in value. Dividends or interest payments may also change as market conditions change. Dividends and/or interest payments may also fluctuate as market conditions fluctuate. Past performance does not guarantee future results.

### Closed-End Funds

Closed-end funds are illiquid and may not be readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares from time to time. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds when they desire to do so.

### Exchange-Traded Funds (“ETFs”)

ETFs are typically investment companies that are legally classified as open-end mutual funds or unit investment trusts. However, they differ from traditional mutual funds in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the “spread.” The spread varies over time based on the ETF’s trading volume and market liquidity and is generally lower if the ETF has high trading volume and high market liquidity. Conversely, the spread is generally higher if the ETF has low trading volume and low market liquidity. ETFs may be closed and liquidated at the discretion of the issuing company.

### Exchange-Traded Notes (“ETNs”)

An ETN is a senior unsecured debt obligation designed to track the total return of a particular company, sector, market index or other benchmark. ETNs may be linked to a variety of assets, such as commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. An ETN is not a mutual fund and does not have a net asset value. Rather, the ETN trades at the prevailing market price. Some of the more common risks of an ETN are: 1) the repayment of the principal, interest (if any) and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer’s ability to pay; or 2) the trading price of the ETN in the secondary market may be adversely impacted if the issuer’s credit rating is downgraded. The asset or asset class to which the ETN is linked may carry specific risks not associated with a particular index or sector. ETNs may be closed and liquidated at the discretion of the issuing company.

## Options

An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date. An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. This risk reflects the nature of an option as a wasting asset which becomes worthless when it expires. An option holder who neither sells their option in the secondary market nor exercises it prior to its expiration will necessarily lose their entire investment in the option. An option writer may be assigned an exercise at any time during the period the option is exercisable. Starting with the day it is purchased, an American-style option is subject to being exercised by the option holder at any time until the option expires. This means that the option writer is subject to being assigned an exercise at any time after they have written the option until the option expires or until they have closed out their option position in a closing transaction. By contrast, the writer of a European-style or capped option is subject to assignment only when the option is exercisable or, in the case of a capped option, when the automatic exercise value of the underlying interest hits the cap price. For more information regarding the risks of options, please read the “Characteristics and Risks of Standardized Options” brochure, which can be found at [www.optionsclearing.com](http://www.optionsclearing.com).

## Bonds, High-Yield Bonds and Other Debt Obligations

High-yield bonds and other debt obligations are issued by companies or municipalities that do not qualify for “investment-grade” ratings by one or more rating agencies. These bonds carry a greater risk of failure to repay both principal and interest and a greater risk of default than those obligations that are rated investment-grade. The potential deterioration of an issuer’s financial health or a downgrade in its rating will increase the risk of default. There is also the risk that the bond’s market value will decline as interest rates rise and that an investor will not be able to liquidate a bond before maturity.

## Equities

Investing in individual stocks carries certain risks. Among these risks are Systematic risk - also known as market risk, this is the potential for the entire market to decline. Systematic risk cannot be diversified away. Unsystematic risk - the risk that any one stock may go down in value, independent of the stock market as a whole. Business risk is the possibility a company will have lower than anticipated profits or experience a loss rather than taking a profit. An event risk is the possibility that an unforeseen event will negatively affect a company, industry or security.

## Margin & Lending Risk

Some clients borrow funds to purchase securities using “margin loans” for which the client’s portfolio serves as collateral for repayment. Use of margin increases a portfolio’s risk as price swings are amplified in a margin account and clients can lose more funds than deposited if the value of securities decline. Adviser may be required to cease trading or liquidate securities in an advisory account to meet a “margin call” or credit line loan demand pursuant to an executed margin or non-purpose loan agreement between the client and the lender or custodian. The client may lose more than his or her original investment.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

Frequent trading can affect portfolio performance, particularly through increased brokerage and other transaction costs (if applicable) and taxes. Infrequent trading can affect portfolio performance, particularly through ongoing fees and other costs (if applicable) that may cost more than trading commissions. Additionally, you should be aware that the use of margin, options and short sales are higher risk strategies. It is possible to lose all of the principal you invest, and sometimes more. In a cash account, your risk is limited to the amount of money that you have invested. In a margin account, your risk includes the amount of money invested plus the amount that has been loaned to you. When you short sell, your losses can be infinite.

## **Item 9: Disciplinary Information**

A recent audit of the Adviser by the SEC determined that the Adviser was remiss in not reporting two disclosures relating to one of our IARs, namely, Robert Binkele. The SEC advised us that we should reported these two disclosures on our Form ADV, Parts 1A and 2B. **One such issue has since been ruled in our favor and does not now need to be disclosed.**

Both of these matters occurred prior to the formation of the Adviser and arose from a Deferred Sales Trust (DST) transaction with which Mr. Binkele had some involvement. For your information, a DST is a tax deferral strategy that is employed by the owner of an appreciated asset who wants to sell the asset but defer the payment of the capital gains tax that would otherwise be due upon that sale. The way a DST generally works, the owner of the appreciated asset donates the asset to a specially created Trust, which then sells the asset (typically to buyer identified by the owner of the asset, and at a price negotiated by the owner of the asset). The sales proceeds are then placed into the Trust. In turn, the Trust enters into a promissory note with the owner of the appreciated asset to pay the owner the sales price, plus interest, over a period of time and at an interest rate determined by the owner of the asset. As the owner receives the periodic payments under the terms of the promissory note, the owner's obligation to pay the capital gains tax is triggered, albeit in increments. In order to have enough money to pay the owner of the asset the sale price of the asset plus interest, the Trust has to invest the proceeds of the sale, to attempt to earn a return sufficient to meet that obligation. Typically, the Trustee of the Trust engages an investment professional to help manage those investments. In the two cases at issue, the DST Trustees chose to have their respective Trust assets managed by a Broker-Dealer named Centaurus, with Mr. Binkele as the investment adviser to the two Trusts. These two accounts were later transferred to the Adviser, but still advised by Mr. Binkele.

With that background in mind, the first disclosure that the SEC has advised us we should have made relates to a complaint that the State of Washington filed against Mr. Binkele, among others – but, importantly, not the Adviser – relating to a single DST transaction in the State of Washington for which Mr. Binkele supplied investment advice to the Trustee. Since we were not named as a party in the proceedings, the triggering events of the matter occurred prior to our existence, and the case seemed to be based on the merits of the DST itself, rather than on the nature/quality of the investment services provided by the Adviser, we did not disclose it. In retrospect, we agree with the SEC that it should have been disclosed. With that said, it is also important to bear in mind that in July 2022, following an evidentiary hearing, the judge dismissed all claims against Mr. Binkele. Therefore, this matter is now not required to be reported by either Mr. Binkele or the Adviser; but, in the interest of full disclosure, we are, nevertheless, bringing this to your attention.

The second matter which the SEC says should have been disclosed is a pending civil litigation matter in California state court brought by an individual who utilized a DST to defer taxes upon the sale of a piece of appreciated real property. The Company initially determined that this matter applied to Mr. Binkele in his capacity as the owner of the Estate Planning Team, the entity through which the DST is offered to the public, but not to the Company. The plaintiff was never an advisory client of Mr. Binkele or the Company, nor was she a trustee or beneficiary of the DST Trust that was created in connection with the sale of her property. The Company did not believe that this matter involved a securities-related issue. Moreover, it did not occur while Mr. Binkele was associated with the Company. Thus, the company did not report it. In hindsight, that was a mistake. So, the Company is bringing it to your attention here.

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

#### **Estate Planning Team**

The Estate Planning Team is a membership-based company that provides administrative, marketing and support services to assist its members in referring clients for various types of estate and tax planning programs for their clients. Mr. Woolery is a Team Member of the Estate Planning Team. He does not have an ownership interest in the company.

IARs of Adviser are members of the Estate Planning Team. The Estate Planning Team offers a service to qualified clients, certain strategies that may reduce capital gains tax liabilities. This arrangement presents a conflict of interest because it creates an incentive to recommend this service based upon the amount of compensation that we may receive if you choose to become a client of Estate Planning Team and establish a Deferred Sales Trust <sup>TM</sup>, which we would be in a position to service and earn a fee for management of the assets, rather than based upon your needs. If a client decides to engage The Estate Planning Team, they will pay a fee to a trust attorney for creating a Deferred Sales Trust. Adviser is not paid nor does he/she share in any part of that fee.

Should you decide to utilize the services of The Estate Planning Team and a trust is created, you may choose to have the Adviser manage that trust portfolio. If the trust selects the Adviser to manage the trust account, our fee is individually negotiated with each trustee, taking into account the specific needs of the trust. Clients are advised that our fees may be more or less costly than other advisers. There is no requirement that the client engage the Adviser to manage the trust portfolio or otherwise conduct business with the Adviser.

IARs of our firm may be separately licensed as registered representatives of an unaffiliated broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

In addition, IARs of our firm may also be licensed as independent insurance agents with various insurance agencies and can sell insurance products to you (i.e. life, health, and long-term care products) and earn commissions. Insurance commissions earned are separate and distinct from our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs.

However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

While our firm and IARs endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Robert Binkele, an IAR of our firm, is a majority owner, shareholder, director and officer of B & N Mining, Inc., which is the Manager and parent company of Kelly Mine and B & N Properties. Both Kelly Mine and B & N Properties are a private investments recommended by Mr. Binkele to some of our clients depending on their goals and investment objectives. B & N Mining, Inc. is Manager and majority owner of both Kelly Mine and B & N Properties, and as such, has full control over the management of the investment. While Mr. Binkele will not receive any direct selling compensation for these investments nor any fees for managing either or these assets for our clients who choose to invest in these investments, a conflict of interest could still arise with respect to Mr. Binkele's fiduciary duty to his clients. Any investment by Mr. Binkele's clients in Kelly Mine or B & N Properties would benefit Mr. Binkele personally because it would increase the prospective value of his ownership of B & N Mining, Inc. Additionally, Mr. Binkele may be conflicted when exercising his judgment as an owner of B & N vis a vis providing advice and acting in the best interests of his investment advisory clients. Mr. Binkele may make a decision that is more advantageous to the investors in Kelly Mine and/or B & N Properties or B & N Mining, Inc. and less advantageous to his investment advisory clients. Clients of the Adviser are in no way obligated to invest in either Kelly Mine or B & N Properties. (See "Private (Alternative) Investments" above).

Mr. Binkele is also a shareholder and 1.9% owner of AscentX Medical, Inc. Mr. Binkele may recommend AscentX Medical, Inc., a non-traded offering, as an investment to accredited investors. Recommending an investment in which Mr. Binkele has a financial interest presents a conflict of interest because it creates an incentive to make that recommendation based on his financial interest in the investment and the amount of compensation he will receive rather than based upon your needs.

Mr. Binkele will explain the specific conflicts and costs associated with any investment in AscentX Medical, Inc. You are under no obligation to purchase or sell any investments in which Mr. Binkele has a financial interest.

As previously noted, we will explain the specific costs associated with any recommended investments with you. You have the option to purchase investment and insurance products through other brokers or agents who are not affiliated with us.

Our IARs may also recommend various asset management firms through their affiliation with Adviser. Adviser will ensure that any advisor recommended by the firm is registered either with the SEC or the appropriate state agency. If you establish an investment advisory relationship with one of these firms, our IARs share in the advisory fees you pay to these asset management firms.

Adviser does not have an application pending to register as a broker-dealer. Adviser is not registered, nor does it have an application pending to register, as a futures commission merchant,

commodity pool operator, a commodity trading advisor. None of the owners nor any member of the management team is registered with a futures commission merchant, commodity pool operator, a commodity trading advisor as a registered representative.

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

Adviser has a Code of Ethics (“Code”), the full text of which is available to you upon request. Adviser’ Code has several goals. First, the Code is designed to assist Adviser in complying with applicable laws and regulations governing its investment advisory business. The Code requires persons associated with Adviser (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Adviser’s associated persons. Under the Code’s Professional Standards, Adviser expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Adviser associated persons are not to take inappropriate advantage of their positions in relation to Adviser clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time, Adviser’ associated persons may invest in the same securities recommended to clients. Under its Code, Adviser has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code’s personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. In order to avoid any conflict of interest with our clients, it is DST’s policy that all of our access persons will not purchase or sell a security in their personal account(s), until at least one day following the execution of a trade to a client for the same security. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. Should an access person inadvertently purchase or sell a security the same day as the client and that trade does not disadvantage a client, the firm’s CCO may approve that transaction. The Code also provides for disciplinary action as appropriate for violations.

Our investment advisors and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by investment advisor and employees may raise potential conflicts of interest when they trade in a security that is: owned by you; or considered for purchase or sale for you. Our IARs will not trade a security in their personal account(s) until at least one day following the execution of a trade to a client for the same security. Any exceptions to this policy require the CCO's pre-approval.

The Adviser or a related person may recommend for purchase or sale an investment in which they have a material financial interest. Such recommendations are only made to Accredited Investors.

Recommending an investment in which the Adviser or a related person has a material financial interest presents a conflict of interest because they create an incentive to make that recommendation based on their financial interest in the investment and upon the amount of

compensation we receive rather than based upon your needs. We will explain the specific conflicts and costs associated with any recommended investments in which the Adviser or a related person has a material financial interest with you upon request.

You are under no obligation to purchase or sell any investments in which the Adviser or a related person has a material financial interest.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures: receive prior approval from Chief Compliance Officer prior to the purchase/sale of any security that is included in our model portfolios; require our investment advisors and employees to act in your best interest; prohibit favoring one client over another; and review of transactions to discover and correct any same-day trades that result in an investment advisor or employee receiving a better price than a client.

Additionally, personal securities transactions by access persons are subject to the following trading restrictions: Access persons are prohibited from acquiring any securities in an initial public offering (IPO) without first obtaining written pre-clearance from the CCO or his designee. The prior approval must take into account, among other factors, whether the investment opportunity should be reserved for clients, and whether the opportunity is being offered to an individual by virtue of their position with Adviser.

Upon receiving a request for pre-clearance, the CCO or his designee will review the intended transaction for consideration. The final decision will then be sent in writing to the access person requesting the permission for the IPO. Only upon receipt of the written approval from Adviser can the access person then engage in the purchase of the requested IPO. The access person making the request and the CCO or his designee must maintain final written approval or denial for their files.

Access persons are prohibited from acquiring any securities in a limited offering (i.e., private placement) without first obtaining written pre-clearance from the CCO or his designee. The prior approval must consider, among other factors, whether the investment opportunity should be reserved for clients, and whether the opportunity is being offered to an individual by virtue of their position with Adviser. Upon receiving a request for pre-clearance, the CCO or his designee will review the intended transaction for consideration. The final decision will then be sent in writing to the access person requesting the permission for the limited offering. Only upon receipt of the written approval from Adviser can the access person then engage in the purchase of the requested limited offering. The access person making the request and the CCO or his designee must maintain final written approval or denial for their files.

Investment advisors and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

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

### **Item 12: Brokerage Practices**

Unless directed otherwise, we generally recommend Charles Schwab & Co. Inc. ("Schwab") as your broker-dealer and as your custodian. That firm will assist us in servicing your account.



In recommending Schwab as custodian and as the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum the Institution's: financial strength, reputation, reporting capabilities, execution capabilities, pricing, and types and quality of research.

The determining factor in the selection of Schwab to execute transactions for your accounts is not the lowest possible transaction cost, but whether the firm can provide what is in our view the best qualitative execution for your account.

Schwab may provide us with access to institutional trading and custody services, which includes: brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

We are not required to place a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services.

Schwab, that we recommend, may charge separately for holding certain clients' private equity accounts and may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your accounts.

Schwab may also make available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that: provide access to account data such as: duplicate trade confirmations, bundled duplicate account statements, and access to an electronic communication network for client order entry and account information; facilitate trade execution, including: access to a trading desk serving advisory participants exclusively and access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account; provide research, pricing information and other market data; facilitate payment of our fees from client accounts; and assist with back-office functions, record keeping and client reporting; and receipt of compliance publications.

Schwab may also make available to us other services intended to help us manage and further develop our business. These services may include: consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

Schwab may also make available or arrange for these types of services to be provided to us by independent third parties. The firm may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with the firm, because we do not have to produce or purchase the products and services listed above.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker-dealers may be based in part on the economic benefit to us and not solely on the

nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through the firm may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by the firm outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

We do not engage in bunched trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. With bunched trading, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

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

Reviews are performed annually or more often upon your request by your IAR or by Ed Woolery or his designee. We initially review your information to determine whether a particular advisory program or investment strategy is suitable for you. We also review and update your financial status, goals and objectives on an annual basis to document continued suitability. More frequent reviews may be triggered by material changes in your individual circumstances, changes or shifts in the economy, changes in the management of mutual funds, or market shifts and corrections. Your advisory representative is responsible for reviewing your account. Certain clients, dependent upon their choice of investment program, may receive quarterly reports, from the third-party management program, showing the investment performance in their account.

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

The Adviser may enter into agreements to pay either an unaffiliated or an affiliated promoter a referral fee in accordance with Rule 275.206(4)-3 or Rule 206(4)-1.

Adviser does not accept soft dollars or any other additional compensation above the fees paid by the client to Adviser outlined in the Fee Schedule.

For benefits received from the custodian please refer to the disclosure made in Item 12.

### **Item 15: Custody**

You will receive statements from the custodian/broker-dealer that holds your investment account on at least a quarterly basis. You should verify that the transactions in your account are consistent

with your investment goals and the objectives for your account. We also encourage you to contact your investment advisor or our CCO should you have any questions or concerns regarding your account. We will adhere to all safeguards to ensure the proper custody of your investment assets.

You must authorize us to have the custodian/broker-dealer pay us directly by charging your account. This authorization must be provided in writing. Adviser will send the custodian/broker an invoice or statement of the amount of the fee to be deducted from your account. Fees are deducted monthly in arrears.

The custodian/broker-dealer provides you with statements that show the amount paid directly to us. You should review and verify the calculation of our fees. The custodian/broker-dealer does not verify the accuracy of fee calculations.

### **Item 16: Investment Discretion**

We offer our advisory services on a discretionary and non-discretionary basis. Discretionary means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. Non-discretionary means that we need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts.

Discretion granted to Adviser does not allow us to choose the broker-dealer through which transactions will be executed. Additionally, we do not have the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.) This discretion is used in a manner consistent with the stated investment objectives for your account, if you have given us written authorization to do so. We only exercise discretion in accounts where we have been authorized by you. This authorization is typically included in the investment advisory agreement you enter into with us.

Clients are permitted to impose reasonable limitations on Adviser's discretionary authority, including restrictions on investing in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to Adviser in writing.

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

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. We will, however, forward to you any information, if received by us, regarding proxies and class action legal matters involving any securities held in your accounts.

### **Item 18: Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding. We do not require prepayment of more than \$1,200 in fees per client, six months or more in advance.