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## FORM ADV PART 2A

### Client Brochure

This brochure provides information about the qualifications and business practices of Sterling Wealth Management. Registration does not imply a certain level of skill or training but only indicates that Sterling Wealth Management has registered its business with state regulatory authorities. The information in this brochure has not been approved or verified by the SEC or by any state securities authority.

If you have any questions about the contents of this brochure, please contact us at (702) 228-0500 or by email at [service@sterlingwealth.net](mailto:service@sterlingwealth.net). Additional information about Sterling Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Our CRD number is 283916.

This brochure was last updated on February 20, 2024.

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### » ITEM 2: Material Changes

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Since the last updating amendment to Sterling Wealth Management's Form ADV Part 2 brochure on November 8, 2023, we note the following material changes to this brochure:

1. ITEM 4—Updated Assets Under Management (AUMs).

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## » ITEM 4: Advisory Business

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### A. DESCRIPTION OF THE ADVISORY FIRM

Sterling Wealth Management, LLC dba Sterling Wealth Management ("SWM") is a Nevada Registered Investment Advisory (RIA) firm. The firm was founded in February 2015 and registered as an investment adviser with the State of Nevada in July 2018. SWM is a wholly-owned subsidiary of Gardner Holdings LLC.

### B. TYPE OF ADVISORY SERVICES

SWM offers advisory services and financial planning services to individuals and institutions.

#### *Advisory Services*

SWM offers portfolio management services based on each client's goals, objectives, time horizon, and risk tolerance. SWM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels).

Portfolio management services include but are not limited to investment strategy, asset allocation, risk tolerance, personal investment policy, asset selection, and portfolio monitoring.

SWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SWM will request discretionary authority from clients to select securities and execute transactions without additional permission from the client before each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

SWM seeks to provide investment decisions that are made in accordance with the fiduciary duties owed to its clients and without consideration of

SWM's economic, investment, or other financial interests.

To meet its fiduciary obligations, SWM attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios. Accordingly, SWM's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time.

It is also SWM's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply among its clients on a fair and equitable basis over time.

#### *Financial Planning*

Financial plans and financial planning may include but are not limited to investment planning, life insurance, tax concerns, retirement planning, college planning, and debt/credit planning.

#### *Services Limited to Specific Types of Investments*

SWM generally limits its investment advice to mutual funds, fixed income securities, real estate, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation-linked bonds, commodities, non-U.S. securities, venture capital funds, and private placements, although SWM primarily recommends U.S. equities.

SWM may also use other securities to help diversify a portfolio when applicable.

### C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS

SWM offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement, which outlines each client's current situation (income, tax levels, and risk tolerance levels).

Clients may not impose restrictions on investing in certain securities or types of securities to comply with their personal values or beliefs.

### D. WRAP FEE PROGRAMS

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees.

SWM does not participate in any wrap fee programs.

### E. ASSETS UNDER MANAGEMENT

As of February 20, 2024, the firm had approximately \$26.0 million in regulatory assets under management. Of that total, approximately \$26.0 million represented discretionary assets, and \$0 represented non-discretionary assets.

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## » ITEM 5: Fees and Compensation

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#### A. FEE SCHEDULE

##### *Portfolio Management Fees*

SWM is compensated for its advisory services by charging an annual 1.25% fee on the net market value of a Client's Account. SWM uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes

of determining the market value of the assets upon which the advisory fee is based.

SWM reserves the right, in its sole discretion, to negotiate, reduce or waive the advisory fee for certain Client Accounts for any period of time determined solely by SWM. In addition, SWM may reduce or waive its fees for some Clients' Accounts without notice to or fee adjustment for other Clients.

The current fee schedule is attached as Exhibit II of the Investment Advisory Contract. Clients may terminate the agreement without penalty for a full refund of SWM's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

##### *Financial Planning Fees*

The rate for financial planning and ad hoc advice is \$500.00 per hour. Comprehensive financial plans generally range between \$2,500 and \$15,000.

Clients may terminate the agreement without penalty, for a full refund of SWM's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

#### B. PAYMENT OF FEES

##### *Payment of Portfolio Management Fees*

Asset-based portfolio management fees are withdrawn directly from the client's accounts with the client's written authorization monthly. Fees are paid in arrears.

### *Payment of Financial Planning Fees*

Financial planning fees are paid via credit card, check, or wire. Fixed financial planning fees are paid 8% in advance, but never more than six months in advance, with the remainder due upon presentation of the plan.

### **C. CLIENT RESPONSIBILITY FOR THIRD PARTY FEES**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SWM. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. PREPAYMENT OF FEES**

SWM collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance will be returned within fourteen days to the client via check or a deposit back into the client's account. Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

### **E. OUTSIDE COMPENSATION FOR THE SALE OF SECURITIES TO CLIENTS**

Neither SWM nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

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SWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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## **ITEM 7: Types of Clients**

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Our clients consist primarily of high net worth individuals, and to a lesser extent, individuals (other than high net worth individuals), trusts, estates, corporations, or other businesses.

The minimum amount required to open and maintain an account with SWM is \$1,000,000, which SWM may waive at its discretion.

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

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### **A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

#### *Methods of Analysis*

SWM's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Quantitative analysis, and Technical analysis.

- **Charting analysis** involves the use of patterns in performance charts. SWM uses this technique to search for patterns used to help predict favorable conditions for buying or selling a security.
- **Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying or selling a security.
- **Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and the analysis of management or competitive advantages.
- **Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

- **Technical analysis** involves the analysis of past market data (primarily price and volume).

#### *Investment Strategies*

SWM uses long-term trading, short-term trading, margin transactions, and options trading (including covered options, uncovered options, or spreading strategies).

### B. MATERIAL RISKS INVOLVED

**CAUTION: INVESTING IN SECURITIES (REGARDLESS OF THE STRATEGY USED) INVOLVES A RISK OF LOSS THAT YOU, AS A CLIENT, SHOULD BE PREPARED TO BEAR.**

#### *Analysis Risk*

- **Charting analysis** strategy involves using and comparing various charts to predict long and short-term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.
- **Cyclical analysis** assumes that the markets react in cyclical patterns, which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns, and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.
- **Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk

assumed is that the market will fail to reach expectations of perceived value.

- **Quantitative analysis** may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.
- **Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns, and if these patterns can be identified, then a prediction can be made. The risk is that markets do not always follow patterns, and relying solely on this method may not take into account new patterns that emerge over time.

#### *Investment Risk*

SWM's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

- **Long-term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.
- **Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold, thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.



The use of margin can have an exponential effect on the returns of a portfolio.

- **Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of a leveraged loss of trading capital due to the leveraged nature of stock options.
- **Short-term trading** risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, mainly through increased brokerage and other transaction costs and taxes.

### C. RISKS OF SPECIFIC SECURITIES UTILIZED

SWM's use of margin transactions and options trading generally holds a greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy.

The investment types listed below (leaving aside Treasury Inflation-Protected/Inflation-Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

- **Mutual Funds:** Investing in mutual funds carries the risk of capital loss, and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.
- **Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company,

industry conditions, and the general economic environments.

- **Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield and investment-grade debt, and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is often more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/ inflation-linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Exchange-Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest, and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares," not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector, which own a significant



portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

- **Real estate** funds (including REITs) face several kinds of risks that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.
- **Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments to achieve retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market for reselling these assets under applicable securities laws may be illiquid due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.
- **Venture capital funds** invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high as a result of the uncertainty involved at that stage of development.
- **Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints, and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.
- **Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk, and interest rate risk.
- **Non-U.S. securities** present certain risks such as currency fluctuation, political and

economic change, social unrest, changes in government regulation, differences in accounting, and the lesser degree of accurate public information available.

#### *Direct Private Investments*

Periodically, SWM may recommend accredited investor clients to invest in direct private investments. These types of investments can sometimes carry higher levels of risk and are recommended only when they align with the client's investment strategy.

SWM does not currently offer, nor is closely affiliated with, any direct private investments.

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### » **ITEM 9:** Disciplinary Information

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#### **A. CRIMINAL OR CIVIL ACTIONS**

Neither SWM nor any of our supervised persons have been involved in any legal events.

#### **B. ADMINISTRATIVE PROCEEDINGS**

The State of Nevada Securities Division issued an Administrative Consent Order on July 30, 2018, to SWM since SWM's management person: Scott D. Gardner had no prior experience as a representative of an investment advisor and has limited his licensing to require his licensing a supervisory period. On July 20, 2020, this Order was withdrawn, and the supervisory period was terminated through the issuance of a further Administrative Consent Order dated July 20, 2020. Under the new Order, SWM will submit a full, independent review of SWM's policies and procedures and a detailed statement on steps it has taken to remove itself from taking custody of client funds. No further enforcement action would be taken, and the Division closed its administrative investigation, which was pursuant to the first Order.

#### **C. SELF-REGULATORY ORGANIZATION (SRO) PROCEEDINGS**

There are no self-regulatory organization proceedings to report.

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### » **ITEM 10:** Other Financial Industry Activities and Affiliations

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#### **A. REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE**

Neither SWM nor its representatives are registered as or have pending applications to become a broker/dealer or a representative of a broker/dealer.

#### **B. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR, OR A COMMODITY TRADING ADVISOR**

Neither SWM nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Advisor, or an associated person of the entities specified in Item 10.C.

#### **C. REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND POSSIBLE CONFLICTS OF INTERESTS**

- **Sterling Commercial.** Scott D. Gardner maintains a real estate broker's license. He provides real estate services via Sterling Commercial, LLC dba Sterling Real Estate. From time to time, he may offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Sterling Wealth Management always acts in the best

interest of the client, including in the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of Sterling Wealth Management in their capacity as a real estate broker. This outside activity takes up approximately 15% of Mr. Gardner's time.

- **Nevada Management Services.** Scott D. Gardner is the owner of Nevada Management Services LLC. Nevada Management Services provides bookkeeping, record management, and back-end services. Nevada Management Services provides bookkeeping services, scans and retains documents, and provides back-end support for businesses who are clients of Nevada Management Services. Clients of Nevada Management Services may give Scott D. Gardner the authority to pay bills from their accounts, which constitutes custody of funds and may create additional conflicts of interest. From time to time, he may offer clients advice or products from those activities, and clients should be aware that these services may involve a conflict of interest. Sterling Wealth Management always acts in the best interest of the client, and clients still have the right to decide whether or not to utilize the services of any Sterling Wealth Management representative in such an individual's outside capacities. This outside activity takes up approximately 40% of Mr. Gardner's time.

#### D. SELECTION OF OTHER ADVISERS OR MANAGERS AND HOW THIS ADVISER IS COMPENSATED FOR THOSE SELECTIONS

SWM does not utilize nor select third-party investment advisers. All assets are managed directly by SWM.

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

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### A. CODE OF ETHICS

SWM has a written Code of Ethics that covers Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions.

SWM's Code of Ethics is available free upon request to any client or prospective client.

### B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS

SWM does not recommend that clients buy or sell any security in which a related person to SWM or SWM has a material financial interest.

### C. INVESTING PERSONAL MONEY IN THE SAME SECURITIES AS CLIENTS

From time to time, representatives of SWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SWM will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the

client's disadvantage when similar securities are being bought or sold.

#### D. TRADING SECURITIES AT/AROUND THE SAME TIME AS CLIENTS' SECURITIES

From time to time, representatives of SWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, SWM will never engage in trading that operates to the client's disadvantage if representatives of SWM buy or sell securities at or around the same time as clients.

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### » ITEM 12: Brokerage Practices

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#### A. FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER/DEALERS

Custodians/broker-dealers will be recommended based on SWM's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client in the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent. SWM may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences, and other resources provided by the brokers that may aid in SWM's research efforts. SWM will never charge a premium or commission on transactions beyond

the actual cost imposed by the broker-dealer/custodian.

SWM WILL REQUIRE CLIENTS TO USE INTERACTIVE BROKERS LLC AS THEIR BROKER-DEALER/CUSTODIAN.

#### *Research and Other Soft-Dollar Benefits*

While SWM has no formal soft dollars program in which soft dollars are used to pay for third-party services, SWM may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits").

SWM may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and SWM does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. SWM benefits by not having to produce or pay for the research, products, or services, and SWM will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that SWM's acceptance of soft dollar benefits may result in higher commissions charged to the client.

#### *Brokerage for Client Referrals*

SWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### *Clients Directing Which Broker/Dealer/Custodian to Use*

SWM will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

## B. AGGREGATING (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS

If SWM buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such a case, SWM would place an aggregate order with the broker on behalf of all such clients to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy.

SWM would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek the best execution, except for those accounts with specific brokerage direction (if any).

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## » ITEM 13: Review of Accounts

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### A. FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO MAKES THOSE REVIEWS

All client accounts for SWM's advisory services provided on an ongoing basis are reviewed at least monthly by Scott D. Gardner concerning clients' respective investment policies and risk tolerance levels. All accounts at SWM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Scott D. Gardner. Financial planning clients are provided with a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

## B. FACTORS THAT WILL TRIGGER A NON-PERIODIC REVIEW OF CLIENT ACCOUNTS

Reviews may be triggered by material market, economic or political events, or by changes in the client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Concerning financial plans, SWM's services will generally conclude upon delivery of the financial plan.

## C. CONTENT AND FREQUENCY OF REGULAR REPORTS PROVIDED TO CLIENTS

Each client of SWM's advisory services provided on an ongoing basis will receive a regular report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. SWM will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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## » ITEM 14: Client Referrals and Other Compensation

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### A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)

SWM does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to SWM's clients.

### B. COMPENSATION TO NON – ADVISORY PERSONNEL FOR CLIENT REFERRALS

SWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

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## » ITEM 15: Custody

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Clients will receive statements directly from the qualified custodians at least quarterly using the email or postal mailing address clients provide. In addition to the periodic statements clients receive directly from their custodians, SWM also provides account statements to its clients on a monthly basis. SWM strongly urges clients to review these statements promptly and carefully compare the custodial records to the statements SWM provides. The information in SWM's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

As stated above in Section 5 B, SWM may automatically deduct investment advisory services fees from the client's brokerage account. Clients will receive detailed statements from SWM specifying the fees to be deducted for that monthly period in advance of the fees being deducted. As part of SWM's billing process, the client's selected broker-dealer/custodian of record (Interactive Brokers Corp., Charles Schwab, or as otherwise determined by the client) is also advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of fee to be deducted, it is important for clients to carefully review their statements from SWM to verify the accuracy of the calculation. Clients should contact SWM immediately if they believe there may be an error in their statement.

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## » ITEM 16: Investment Discretion

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SWM provides discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading.

Where investment discretion is granted, SWM generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

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## » ITEM 17: Voting Client Securities (Proxy Voting)

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SWM acknowledges its fiduciary obligation to vote proxies on behalf of those clients that have delegated to it, or for which it is deemed to have proxy voting authority.

SWM will vote proxies on behalf of a client solely in the best interest of the relevant client and has established general guidelines for voting proxies. SWM may also abstain from voting if, based on factors such as expense or difficulty of the exercise, it determines that a client's interests are better served by abstaining. Further, because proxy proposals and individual company facts and circumstances may vary, SWM may vote in a manner that is contrary to the general guidelines if it believes that doing so would be in a client's best interest to do so.

If a proxy proposal presents a conflict of interest between SWM and a client, then SWM will disclose the conflict of interest to the client prior



to the proxy vote and, if participating in the vote, will vote in accordance with the client's wishes.

Clients may obtain a complete copy of the proxy voting policies and procedures by contacting SWM in writing and requesting such information. Each client may also request, by contacting SWM in writing, information concerning the manner in which proxy votes have been cast with respect to portfolio securities held by the relevant client during the prior annual period.

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## » ITEM 18: Financial Information

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### A. BALANCE SHEET

SWM neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### B. FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS

Neither SWM nor its management has any financial condition that is likely to reasonably impair SWM's ability to meet contractual commitments to clients.

### C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS

SWM has never been the subject of a bankruptcy petition.

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## » ITEM 19: Requirements for State Registered Advisers

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### A. PRINCIPAL EXECUTIVE OFFICERS AND MANAGEMENT PERSONS; THEIR FORMAL EDUCATION AND BUSINESS BACKGROUND

SWM currently has only one management person: Scott D. Gardner. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

### B. OTHER BUSINESSES IN WHICH THIS ADVISORY FIRM OR ITS PERSONNEL ARE ENGAGED AND TIME SPENT ON THOSE (IF ANY)

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### C. CALCULATION OF PERFORMANCE-BASED FEES AND DEGREE OF RISK TO CLIENTS

SWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### D. MATERIAL DISCIPLINARY DISCLOSURES FOR MANAGEMENT PERSONS OF THIS FIRM

The State of Nevada Securities Division issued an Administrative Consent Order on July 30, 2018, to SWM since SWM's management person: Scott D. Gardner had no prior experience as a representative of an investment advisor and has limited his licensing to require his licensing a supervisory period. On July 20, 2020, this Order was withdrawn, and the supervisory period was terminated through the issuance of a further Administrative Consent Order dated July 20, 2020. Under the new Order, SWM will submit a full, independent review of SWM's policies and procedures and a detailed statement on steps it has taken to remove itself from taking custody of client funds. No further enforcement action would be taken, and the Division closed its



administrative investigation, which was pursuant to the first Order.

E. MATERIAL RELATIONSHIPS THAT  
MANAGEMENT PERSONS HAVE WITH ISSUERS  
OF SECURITIES (IF ANY)

See Item 10.C and 11.B.