FinDec Wealth Services, Inc.

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FORM ADV PART 2A
BROCHURE

This brochure provides information about the qualifications and business practices of FinDec Wealth Services, Inc. If you have any questions about the contents of this brochure, contact us at 209-957-7413. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about FinDec Wealth Services, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

FinDec Wealth Services, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment dated March 16, 2023 we have the following material changes to report.

- We no longer offer pension consulting services to Pooled Employer Plans.
- We no longer offer portfolio management services to Pooled Employer Plans, other than to existing Pooled Employer Plan Clients.

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Item 4 Advisory Business

Description of Firm
FinDec Wealth Services, Inc. is a registered investment adviser primarily based in Stockton, CA. We are organized as a corporation under the laws of the State of California. Financial Decisions, Inc. was established in 1983 by Frederick M. Lee and Nancy E. Lee, providing investment advisory services and was reorganized as FinDec Wealth Services, Inc. in 2020. We are primarily owned by FinDec Co.

We are indirectly owned by Michael E. Lee and Kevin E. Mahoney.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," "us" and "FinDec" refer to FinDec Wealth Services, Inc. and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Portfolio Management Services for Individuals, High Net Worth Individuals, Businesses and Charitable Organizations

We provide discretionary and non-discretionary portfolio management services tailored to meet your needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the "suitability information") at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous investment advice. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives or we may also invest some or all of your assets according to one or more risk-based model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio\'s performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and your financial circumstances.

We also offer Liquidity Management for decumulation strategies implemented for clients in generating retirement cash flow from their investment accounts. This service enables clients to better manage their cash flow needs for retirement purposes.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

You may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing.

We may also offer non-discretionary portfolio management services. If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Also, as part of our portfolio management services, in addition to other types of investments (see disclosures below in this section), we may invest your assets according to one or more risk-based portfolios developed and managed by our firm. These portfolios are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in these types of portfolios may not set restrictions on the specific holdings or allocations within the portfolio, nor the types of securities that can be purchased in these portfolios. Nonetheless, clients may impose restrictions on investing in certain securities or types of securities in their account. In such cases, this may prevent a client from investing in certain portfolios that are managed by our firm.

Portfolio Management Services - Investment Advisory Services for Pension and Retirement Plans

We will provide discretionary investment management services or non-discretionary investment advisory services to the fiduciaries of pension and retirement plans at the direction of the responsible plan fiduciary.

Discretionary Investment Management Services

We will provide the following discretionary investment management services, acting as a fiduciary of the Plan as defined under Section 3(38) of the Employee Retirement Income Security Act (ERISA):

1. Provide ongoing and continuous discretionary investment management with respect to the asset classes and designated investment alternatives (DIAs) available under the plan in accordance with the plan's investment policies and objectives;
2. Select a broad range of investment options consistent with ERISA 404c and the regulations thereunder;
3. Develop an Investment Policy Statement (IPS). The IPS establishes the investment policies and objectives for the plan.
4. As part of our services, we have developed risk-based model portfolios that we actively manage as DIAs and make available for plan participants to allocate some or all of their account balance.
5. Monitor investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and determine whether to maintain or remove and replace DIAs;
6. Meet with client on a periodic basis to discuss the reports and the investment decisions;
7. For plans with participant directed investment options, the plan sponsor may elect to have a qualified default investment alternative (QDIA) for plan participants who fail to make an investment election. Upon election, we will select and monitor the DIA(s) to serve as the QDIA.

Non-discretionary Investment Adviser Services

We will provide the following fiduciary services acting as a fiduciary of the Plan as defined under Section 3(21) of the Employee Retirement Income Security Act (ERISA):

1. Provide non-discretionary investment advice to the responsible plan fiduciary about asset classes and DIAs available for the plan in accordance with the plan's investment policies and objectives. The responsible plan fiduciary will have the final decision-making authority regarding the initial selection, retention, removal, and additions of

DIAs.

2. Assist the responsible plan fiduciary with the selection of a broad arrangement of investment options consistent with ERISA section 404(c) and the regulations thereunder.
3. Assist in the development of an IPS. The responsible plan fiduciary will have the responsibility for establishing and maintaining the IPS.
4. Assist in monitoring DIAs by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the IPS guidelines and make recommendations to maintain or remove and replace DIAs.
5. Meet with the responsible plan fiduciary periodically to discuss the reports and the investment recommendation.
6. Educate the responsible plan fiduciary on their duties to the plan and provide recommendations on how to meet those responsibilities, including the use of an investment committee.
7. Provide non-discretionary investment advice to the responsible plan sponsor on the selection of a QDIA, and, upon the decision to have a QDIA, assist the plan sponsor in selecting the DIA(s) to serve as the QDIA.

Other Services for Pension and Retirement Plans

Upon request and authorization by the responsible plan fiduciary we will provide non-discretionary fiduciary investment advice to plan participants regarding selection of DIAs available to the plan.

Financial Planning Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual goals and needs. These services can range from broad-based financial planning to consultative or single subject planning, including retirement planning.

An investment adviser representative will first conduct a complimentary initial consultation with you. During or after the initial consultation, if you decide to engage us for financial planning services, we will conduct additional meetings with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to us. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory or affiliated services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Selection of Other Advisers

We have previously offered the services where we may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. This service is no longer being offered and is only available to existing clients who previously contracted for these services. We will continue to monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives for those clients who have previously elected this service.

Pension Consulting Services

We offer pension consulting services to Qualified and non-Qualified Retirement Plans, including Pension Plans, 401(k) and 403(b) Plans, Profit Sharing Plans, Simple IRA Plans, SEPs, Defined Benefit Plans, Deferred Compensation Plans and other employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. The services we offer are designed to assist retirement plan sponsors, trustees and/or plan committees in meeting their plan management and fiduciary obligations under the Employee Retirement Income Security Act or other applicable law. We no longer offer pension consulting services to Pooled Employer Plans.

In general, these services may include an existing plan review and analysis, plan-level advice regarding plan investment options, investment performance monitoring, and/or ongoing consulting. Additional services may include:

- Creation or Review of Investment Policy Statements;
- Creation of Portfolio Diversification Models;
- Investment and Portfolio monitoring and Performance Reporting;
- Reviews of Third Party Advisers; and,
- Reviews of Plan Menu of Investments.

We offer these services in a fiduciary capacity as an ERISA 3(21) non-discretionary investment adviser, to assist the plan sponsor in meeting their fiduciary obligations.

The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

We may also provide additional types of pension consulting services to plans on an individually negotiated basis. All services, whether discussed above or customized for the plan based upon requirements from the plan fiduciaries (which may include additional plan-level or participant-level services) shall be detailed in a written agreement and be consistent with the parameters set forth in the plan documents.

Either party to the pension consulting agreement may terminate the agreement upon written notice to the other party in accordance with the terms of the agreement for services. The pension consulting fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to the client.

Types of Investments

We primarily offer advice and portfolio management on No-load mutual funds, Corporate and Municipal Bonds, U. S. Treasuries, Certificates of deposit, Collective Investment Trusts, and Exchange Traded Funds. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various other types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

Since our investment strategies and advice are based on each client's specific financial situation, the investment advice we provide to you may be different or conflicting with the advice we give to other clients regarding the same security or investment.

Retirement Account Rollover Recommendations

Effective December 20, 2021 (or such later date as the US Department of Labor ("DOL") Field Assistance Bulletin 2018-02 ceases to be in effect), for purposes of complying with the DOL's Prohibited Transaction Exemption 2020-02 ("PTE 2020-02") where applicable, we are providing the following acknowledgment to you.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put our financial interests ahead of yours when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that we give advice that is in your best interest;
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

We benefit financially when you rollover your assets from a retirement account that we do not manage to your participant account in a retirement plan that we provide portfolio management services, or to an individual retirement account for which we provide investment advice and portfolio management services. We may also benefit financially when you rollover your assets held in a retirement plan that we provide portfolio management services to an individual retirement account for which we provide investment advice and portfolio management services. We benefit because the increase in our assets under management may, in turn, increase our advisory fees. As a fiduciary, we only recommend a rollover when we believe it is in your best interest.

Assets Under Management

As of December 31, 2023, we provide continuous management services for $963,900,000 in client assets on a discretionary basis, and $0 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Portfolio Management Services

Our fee for portfolio management services is a tiered fee schedule based upon a percentage of the assets in your account and is set forth in the following fee schedule:

Annual Fee Schedule

Assets Under Management	Annual Fee
First $500,000	1.0%
Next $500,001 - $1,000,000	0.80%
Next $1,000,001 - $2,000,000	0.60%
Next $2,000,001 - $5,000,000	0.40%
Balance Over $5,000,000	0.20%

An account we manage for you may contain individual securities you owned at the time we began providing investment management services where you have instructed us to retain those securities in the account and exclude them from discretionary investment management. Those securities are excluded from the account value used to determine our advisory fee.

Our annual fee for portfolio management services is billed either quarterly in advance based on the market value of the assets under management on the last day of the preceding calendar quarter or quarterly in arrears based on the market value of the assets under management on the last day of the calendar quarter. The value may be part of an account or a portion of a Plan assets as agreed between our firm and the client.

Alternatively, we may charge a fixed fee % that is not subject to the above tier schedule.

We may negotiate a flat annual fee amount in instances where it is in our business interest to acquire or retain a client and the flat fee is renegotiable at least annually.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian, call our main office number located on the cover page of this brochure.

You may terminate the portfolio management agreement upon 30 days' written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Financial Planning Services

We charge a fixed fee for financial planning services, which generally ranges from $1500 to $5000. The first half of the estimated fee is due in advance of services rendered with the remaining balance payable upon completion of the contracted services. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. We do not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

We also provide our Financial Planning Services based upon an hourly fee of up to $400.00 per hour, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We also offer advice on single subject financial planning/general consulting services at the same hourly rate.

We require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered.

We will not require prepayment of a fee more than six months in advance and in excess of $1,200.

At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our Portfolio Management Service.

You may terminate the financial planning agreement upon 30 days' written notice to our firm. If you have pre-paid financial planning fees that we have not yet earned, you will receive a prorated refund of those fees. If financial planning fees are payable in arrears, you will be responsible for a prorated fee based on services performed prior to termination of the financial planning agreement.

Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, FinDec Wealth Services hereby makes the following statement: a conflict exists between the interest of FinDec Wealth Services and the interests of the client. Further, the client is under no obligation to act upon FinDec Wealth Services' recommendations, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through FinDec Wealth Services.

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

While the firm endeavor at all times to offer clients its specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by FinDec.

Selection of Other Advisers

This service is no longer available. For existing clients who previously elected this service, advisory fees charged by TPMMs are separate and apart from our advisory fees and are based upon a separate fee agreement with the TPMM. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the *Portfolio Management Services* sections in this brochure. The TPMM's fees will be deducted directly from the account the TPMM manages unless otherwise directed by you. Advisory fees that you pay to the TPMM are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable.

Portfolio Management Services - Investment Advisory Services for Pension and Retirement Plans

Our fee for portfolio advice or management services is a tiered fee schedule based upon the percentage of the plan assets we advise or manage and is set forth in the following fee schedule:

Annual Fee Schedule

Assets Under Management	**Annual Fee**
First $500,000	1.0%
Next $500,001 - $1,000,000	0.80%
Next $1,000,001 - $2,000,000	0.60%
Next $2,000,001 - $5,000,000	0.40%
Balance Over $5,000,000	0.20%

Your plan may include investment assets that are held with a third-party custodian and/or held in plan participant self-directed brokerage accounts that are excluded from our investment services agreement with the plan. The asset value used to determine our advisory fees excludes the value of these plan investments.

Our annual fee for investment advisory services is billed either quarterly in advance based on the market value of the assets under management on the last day of the preceding calendar quarter or quarterly in arrears based on the market value of the assets under management on the last day of the calendar quarter. The value may be part of an account or a portion of a Plan assets as agreed between our firm and the client.

Alternatively, we may charge a fixed fee % that is not subject to the above tier schedule.

We may negotiate a flat annual fee amount in instances where it is in our business interest to acquire or retain a client and the flat fee is renegotiable at least annually.

Pooled Employer Plans

As noted above this service is no longer available. For existing Pooled Employer Plans clients {"PEPs") advisory fees are billed at an annual fee of 0.15% of Plan assets. The fees are billed monthly in arrears based upon the value of the Plan's assets on the last day of the month. The asset value billed upon includes the assets held in the participants' self-directed brokerage accounts as part of the PEP.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian call our main office number located on the cover page of this brochure.

Either party to the portfolio management agreement for the Investment Advisory Services for Pooled Employer Plans may terminate the agreement upon 60 days written notice to the other party or in accordance with the terms of the agreement for the Investment Advisory Services for Pooled Employer Plans. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Pension Consulting Services

We charge a fixed fee for Pension Consulting Services, which generally ranges from $1500 to $5000. The first half of the estimated fee is due in advance of services rendered with the remaining balance payable upon completion of the contracted services. The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. We do not require you to pay fees six or more months in advance. Should the engagement last longer than six months between acceptance of financial planning agreement and delivery of the financial plan, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

We also provide our Pension Consulting Services based upon an hourly fee of up to $400.00 per hour, which is negotiable depending on the scope and complexity of the plan, your situation, and the plan's financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We also offer advice on single subject pension consulting services at the same hourly rate. Additionally, we offer a fixed fee for the single subject pension consulting services, which will vary on a case by case basis, depending on the client, the size of the plan and other relevant factors. Generally, the negotiable fixed fee or flat fee starts at $1000 for the single subject pension consulting service.

We require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered.

We will not require prepayment of a fee more than six months in advance and in excess of $1,200.

For customized services our advisory fees will be negotiated with the plan sponsor or named fiduciary on a case-by-case basis.

Either party to the pension consulting agreement may terminate the agreement upon written notice to the other party in accordance with the terms of the agreement for services. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds, and for retirement plans, collective investment trust funds (CITs). The fees that you pay to our firm for investment advisorye services are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds or CITs (as described in the mutual fund or exchange traded fund prospectus or the CITs declaration of trust) to their shareholders. These fees will generally include a management fee and other fund operational expenses. You may also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, CITs, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

Compensation for the Sale of Securities or Other Investment Products

Persons providing investment advice on behalf of our firm may also be licensed as independent insurance agents. These Persons assist clients in their insurance needs and may earn indirect compensation for client referrals to independent third-party insurance companies that have a relationship with Western Associates, Inc., an affiliate of FinDec Wealth Services, Inc. This presents a conflict of interest because these persons may have an incentive to recommend insurance products to you rather than solely based on your needs. However, the fees charged by each company are separate and distinct and you are under no obligation, contractually or otherwise, to use the services of Western Associates, Inc. or any independent third-party insurance companies that has a relationship with Western Associates, Inc.

Item 6 Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer portfolio management services and investment advisory services to individuals (other than high net worth individuals), high net worth individuals, pension and profit sharing plans, charitable organizations, state or municipal government entities and corporations or other businesses not listed above.

In general, we require a minimum of $250,000 (household) to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

Our Methods of Analysis and Investment Strategies
We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Modern Portfolio Theory - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

> **Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long term, which may not be the case. There is also the risk that the segment of the market that you are invested in, or perhaps just your particular investment, will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Risk: Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short term, which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short term (such as short-term interest rate changes, cyclical earnings announcements, etc.), but may have a smaller impact over longer periods of time.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party money managers. We primarily rely on investment model portfolios and strategies developed by the third party money managers and their portfolio managers. We may replace/recommend replacing a third party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

Custodians and broker-dealers must report the cost basis of equities acquired in client accounts. Your custodian will default to the First-In First-Out ("FIFO") accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss
Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Other Risk Considerations
When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.

Credit Risk: Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

Inflation and Interest Rate Risk: Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

Horizon and Longevity Risk: The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

Recommendation of Particular Types of Securities
We primarily recommend No-load mutual funds, Corporate and Municipal Bonds, Certificates of deposit, and Exchange Trade Funds, and for defined contribution retirement plans, Collective Investment Trust Funds. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

Money Market Funds: A money market fund is technically a security. The fund managers attempt to keep the share price constant at $1/share. However, there is no guarantee that the share price will stay at $1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tend to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

Certificates of Deposit: Certificates of deposit ("CD") are generally a safe type of investment since they are insured by the Federal Deposit Insurance Company ("FDIC") up to a certain amount. However, because the returns are generally low, there is risk that inflation outpaces the return of the CD. Certain CDs are traded in the marketplace and not purchased directly from a banking institution. In addition to trading risk, when CDs are purchased at a premium, the premium is not covered by the FDIC.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the funds, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

Collective Investment Trust:
Collective Investment Trusts, also known as CITs, are a type of tax-exempt pooled investment vehicle. CITs generally consist of assets pooled from certain retirement plans, such as 401(k)s or other types of government plans. These assets are then pooled to create a larger and more diversified investment portfolio. They can invest in a variety of securities, such as stocks, bonds, short-term money market instruments and even mutual funds. There's no limit as to the number of investors in CIT. Collective investment trusts are maintained by a bank or other trust company, called the trustee and are professionally managed in accordance with the CIT's investment objective.

The risk is that CITs aren't available to all investors. They are only used by those with a qualified, employer-sponsored retirement plan. Additionally, CITs can't be rolled over into an IRA or another account. While the CIT generally provides diversification, risks can be significantly increased if the CIT is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the CIT with different types of securities. The returns on CITs can be reduced by the costs to manage the CIT. CITs are private funds rather than public ones; thus, a CIT is not required to report portfolio holdings or release shareholder funds. Neither is a CIT FDIC-insured or regulated by the SEC.

Variable Annuities: A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

Real Estate: Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

Real Estate Investment Trust: A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

Limited Partnerships: A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner has management authority and unlimited liability. The general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and their liability is limited to the amount of their capital commitment. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership. The range of risks is dependent on the nature of the partnership and disclosed in the offering documents if privately placed. Publicly traded limited partnerships have similar risk attributes to equities. However, like privately placed limited partnerships their tax treatment is under a different tax regime from equities. You should speak to your tax adviser in regard to their tax treatment.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Arrangements with Affiliated Entities

We are affiliated with Western Associates Inc. d/b/a FinDec Insurance Services, a licensed insurance agency, through common control and ownership. If you need insurance services, we will recommend that you use the services of independent third-party insurance companies that have a relationship with Western Associates, Inc. if appropriate for your insurance needs. Persons providing investment advice on behalf of our firm may be licensed as insurance agents with d/b/a FinDec Insurance Services. These Persons assist clients in their insurance needs, however, they do not receive any direct or indirect compensation for client referrals to independent third-party insurance companies that have a relationship with Western Associates, Inc. Western Associates, Inc. will receive a referral fee from the independent third-party insurance company if you purchase an insurance product from them as a result of the referral. However, any such referral fees received by Western Associates, Inc. are separate and distinct from advisory fees paid to FinDec Wealth Services, Inc. and you are under no obligation, contractually or otherwise, to use the services of Western Associates, Inc. or any independent third-party insurance companies that have a relationship with Western Associates, Inc. See the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm. This affiliated firm is otherwise regulated by the professional organizations to which it belongs and must comply with the rules of those organizations. These rules may prohibit paying or receiving referral fees to or from investment advisers that are not members of the same organization.

We are affiliated with FinDec Benefit Services, Inc. through common control and ownership. FinDec Benefit Services is a Workplace Benefit Plan services company which provides consulting, recordkeeping and administration services to sponsors of Workplace Benefit Plans'. If you are in need of Workplace Benefit Plan services, we will recommend that you use the services of our affiliate if appropriate for your needs. Also, FinDec Benefit Services, Inc. refers clients to our firm for portfolio management, investment advisory, pension consulting and or financial planning services. Fees for our services are separate and distinct from the fees paid to our affiliate for their services.

Referral arrangements with an affiliated entity present a conflict of interest for us because we may have a direct or indirect financial incentive to recommend an affiliated firm's services. While we believe that compensation charged by an affiliated firm is competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use the services of any firm we recommend, whether affiliated or otherwise, and may obtain comparable services and/or lower fees through other firms.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Aggregated Trading

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the *Brokerage Practices* section in this brochure for information on our aggregated trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

We do not maintain custody of your assets that we manage or on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian or Charles Schwab Trust Bank for Retirement Plans depending on the size of the plan, complexity of investments, types of plan services and cost considerations. Charles Schwab Trust Bank charges separate fees for trust and custody services. Charles Schwab Trust Bank uses Charles Schwab & Co., Inc. as the broker dealer to provide brokerage services on behalf of the Charles Schwab Trust Bank's accounts.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described below. You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below (see "Your brokerage and custody costs").

How we select brokers/custodians

We seek to recommend Schwab, a custodian/broker that will hold your assets and execute transactions. When considering whether the terms that Schwab provides are, overall, most advantageous to you when compared with other available providers and their services, we take into account a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab")

If you utilize the Charles Schwab Trust Bank as your custodian for Qualified Plans services, the plan sponsor directs / authorizes Charles Schwab Trust Bank ("CSTB") to use Charles Schwab & Co. as the broker/dealer under the agreements the plan sponsor enters into with CSTB to open the trust account. The agreements also disclose the obligations of the Broker in connection with the CSTB account. While FinDec Wealth Services does not determine which broker/dealer the plan will use, we do recommend and supports CSTB's use of Charles Schwab & Co. as the broker/dealer for the following reasons:

- The integration of the plan recordkeeping platform with the CSTB trust account and the Schwab trading platform, including Schwab's proprietary self-directed brokerage account offering;
- Wide selection of available mutual funds and collective investment trust funds on the platform;
- Additionally, CSTB has its own agreements with registered investment companies, in addition to Schwab's agreements; hence, its own list of available mutual funds and collective investment trust funds.
- Availability of same day exchange trades of mutual funds and collective investment trust funds;
- Fee and commission free purchases of mutual funds and collective investment trust funds;
- Waiver of most short-term redemption fees otherwise in place on mutual funds that charge such fees; and,
- Any shareholder servicing payments received by CSTB from a mutual fund are returned to the plan and may either be used to pay plan expenses or returned to the plan participants as investment dividends; Net of a nominal .02% processing fee retained by CSTB.
- CSTB Investment Research tool available for FinDec, plan sponsors and advisors to use in researching and selecting mutual funds and collective investment trust funds as investment options available to the plan.
- The availability of a bank product in lieu of a money market account. When the bank product is used as an investment option, a reduced fee is charged to the plan sponsor by CSTB for custody and recordkeeping services.
- CSTB has made ETF's available on the platform, under separate agreement with the

recordkeeper, and has a proprietary method for trading them within a plan like a mutual fund; Note: FinDec Wealth Services has signed the recordkeeping agreement to make ETFs available; however, FinDec Wealth Services currently elects not to use ETF's in plans where FinDec Wealth Services acts as a 3(38) adviser.

Your brokerage and custody costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services, but is compensated by charging you commissions or other fees on securities trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab receives fees from mutual fund companies or their affiliates for services that Schwab provides to shareholders of such funds. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least $10,000,000 of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades.

We are not required to select the broker or dealer that charges the lowest transaction cost, even if that broker provides execution quality comparable to other brokers or dealers.

Although we are not required to execute all trades through Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians"). By using another broker or dealer you may pay lower transaction costs.

Products and services available to us from Schwab

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us.

Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least $10 million of their assets in accounts at Schwab. If our clients collectively have less than $10 million in assets at Schwab, Schwab may charge us quarterly service fees of $1,200. Following is a more detailed description of Schwab's support services:

Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waives its fees for some of these services or pays all or a part of a third party's fees. Schwab also provides us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services. The fact that we receive these benefits from Schwab is an incentive for us to recommend the use of Schwab rather than making such a decision based exclusively on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

Research and Other Soft Dollar Benefits
We do not have any soft dollar arrangements.

Economic Benefits
As a registered investment adviser, we have access to the institutional platform of your account custodian. As such, we will also have access to research products and services from your account custodian and/or other brokerage firm. These products may include financial publications, information

about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such research products and services are provided to all investment advisers that utilize the institutional services platforms of these firms, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

We routinely require that you direct our firm to execute transactions through Charles Schwab and Company, Inc. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

Aggregated Trades

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "aggregated trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in aggregated trading with your accounts; however, they will not be given preferential treatment.

We do not aggregate trades for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

Mutual Fund and CITs Share Classes

Mutual funds and CITs are sold with different share classes, which carry different cost structures. Each available share class is described in the mutual fund's prospectus or the CITs declaration of trust. When we purchase, or recommend the purchase of, mutual funds or CITS for a client, we select the available share class that is deemed to be in the client's best interest, taking into consideration cost, tax implications, and other factors. When the fund is available for purchase at net asset value, we will purchase, or recommend the purchase of, the fund at net asset value. We also review the mutual funds held in accounts that come under our management to determine whether a more beneficial share class is available, considering cost, tax implications, and the impact of contingent deferred sales charges.

Item 13 Review of Accounts

Our Chief Investment Officer, or another Investment Adviser Representative will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- changes in your financial situation;
- contributions and withdrawals;
- year-end tax planning;
- market moving events;
- security specific events; and/or
- changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

For all portfolio management clients we review and compare the performance of model portfolios against blended benchmarks using standard industry indexes. Individual fund performance is compared with its benchmark index and peer group performance.

For investment clients with accounts valued at over $250,000, we provide quarterly reports of investment activity and performance. For all pension clients we provide quarterly reports of investment value and activity.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Our Chief Investment Officer and your Investment Advisor Representative will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the advice provided is consistent with your investment needs and objectives. Generally, we will contact you periodically to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Such reviews and updates may be subject to our then-current hourly rate. Written updates to the financial plan will be provided in conjunction with the review. If you implement financial planning advice, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

Item 14 Client Referrals and Other Compensation

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section.

We receive referrals from our affiliated entity FinDec Benefit Services, Inc. which, in some cases, receives those referrals from Charles Schwab & Co., Inc. While we do not compensate FinDec Benefit Services, Inc. for these referrals, FinDec Benefit Services, Inc. does compensate Charles Schwab & Co., Inc. Consequently, a conflict of interest exists since Schwab has a financial incentive to refer clients to FinDec Benefit Services, Inc. Additionally, due to the common control and ownership between FinDec Wealth Services, Inc. and FinDec Benefit Services, Inc. and the fact that revenues we receive for the provision of advisory services are ultimately shared with FinDec Co. the parent company of Western Associates, Inc. d/b/a FinDec Wealth Services and FinDec Benefit Services, Inc., there is a financial incentive for FinDec Benefit Services, Inc. to refer those clients to us. If you were referred to us by either Charles Schwab & Co., Inc. or FinDec Benefit Services, Inc., you are under no obligation to use our services.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees, when you have provided that authorization in your Portfolio Management Agreement. For more information on billing, see *Fees and Compensation* section above. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. In addition, in the capacity as third party administrator, our affiliate, FinDec Benefit Services, Inc. has custody over client funds/securities which may be imputed to our firm, which subjects our Firm to annual surprise audits for these accounts. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will show the assets in your account and indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. The periodic reports we provide to you also reflect the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

Wire Transfer and/or Standing Letter of Authorization
Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction, as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third-party wire transfers has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;
3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the

same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

We are deemed to have custody on pension accounts we provide investment management or advice to where our affiliated company FinDec Benefit Services, Inc. has authorization to direct distribution of plan assets to third parties. We are subject to surprise annual audits for these accounts.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

Item 18 Financial Information

We have not filed a bankruptcy petition at any time in the past ten years.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Trade Errors
When a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Schwab as the custodian for your account donates gains of $100 or more to charity. If a loss occurs greater than $100, our firm will pay for the loss. Schwab may retain gains of $100 or less, if they are not kept in your account, to offset administrative expenses. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

Class Action Lawsuits
We will assist you, in conjunction with your legal counsel or other professionals, in filing claims with the claims administrator to participate in any settlement proceeds related to class action settlements involving a security held in your portfolio. We may also work with your legal counsel to determine whether you are eligible to participate in class action litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held in your portfolio.

Retirement Account Rollover Considerations
As part of our investment advisory services for Clients or prospective clients who have investments in a former employer's retirement plan or in an Individual Retirement Account (IRA) we do not manage, or a former employer's retirement plan we provide portfolio management services to, we may recommend you rollover those assets to your current employer's retirement plan that we provide portfolio management services to or an IRA account that we manage on your behalf. If you elect to roll the assets to an employers retirement plan or IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA or another company plan, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
    a. Employer retirement plans generally have a more limited investment menu than IRAs.

b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.

2. Your current plan may have lower fees than our fees.
   a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
   b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a company sponsored retirement account, you could potentially delay begining your required minimum distribution.
6. Your company retirement account may offer more liability protection than a rollover IRA; each state may vary.
   a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.