

## Item 1 – Cover Page

### Elevated Capital Advisors, LLC

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Sandy, Utah 84070

801-639-0095

Date of Disclosure Brochure: June 2020

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This disclosure brochure provides information about the qualifications and business practices of Elevated Capital Advisors, LLC (also referred to as we, us and hereafter “ECA” throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Elton Wilcox at 801-639-0095. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ECA is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm’s information on this website by searching for ECA or our firm’s CRD number 226721.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## Item 2 – Material Changes

The following material changes have been made to this disclosure brochure dated June 2020:

- Updated Item 5 - ECA updated the fee schedule for both hourly financial consulting services and/or fixed fee financial planning services. Pricing in this document reflects the current pricing schedule.
- Updated Item 4 - Limits Advice to Certain Types of Investments, to exclude variable annuities as we do not sell or advise on these annuity types.
- Updated Item 18 – To reflect the receipt of a Paycheck Protection Program (PPP) loan in connection with COVID-19.
- Updated Item 14 – Client Referrals and Other Compensation to disclose that ECA may enter into solicitation agreements pursuant to which it compensates third-party intermediaries for client referrals.
- Updated Item 12 – Batch or Block Trading Policy to reflect that ECA does use block trading when possible in order to receive the same average price for eligible securities traded across multiple client accounts at the same time.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 90 days after our firm’s fiscal year ends. Our firm’s fiscal year ends on December 31, so you will receive the summary of material changes no later than March 30 each year. At that time, we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## Item 4 – Advisory Business

ECA is an investment adviser registered with the SEC under The Investment Advisor Act of 1940, and is a limited liability company (LLC) formed under the laws of the State of Utah.

The Firm was formed in June 2015 and became SEC Registered in August 2017. The Principal Owners of the firm are SPL Financial, Inc. and Global Plains. Sean Lee, Managing Member, owns SPL Financial. Scott Dougan, Managing Member, owns Global Plains.

### **Introduction**

The investment advisory services of ECA are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of ECA (referred to as “your investment adviser representative” throughout this brochure).

Your investment adviser representative is limited to providing the services and charging investment advisory fees in accordance with the descriptions detailed in this brochure.

### **Description of Advisory Services**

The following are descriptions of the primary advisory services offered through ECA. Please understand that a written agreement, which details the exact terms of service, must be signed by you and an affiliated investment adviser representative of ECA before we can provide you the services described below.

**Asset Management Services** – ECA offers asset management services, which involves ECA providing you with continuous and ongoing supervision over your specified accounts which will be reviewed no less than annually. Please note, that although accounts are reviewed at least once annually, investment adviser representatives can review accounts more frequently if desired by the client; however, your account may not be supervised on a daily basis.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and the client retains all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations and other relevant documents) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account on a discretionary or non-discretionary basis as agreed upon with the client.

We will need to obtain certain information from each client to determine their financial situation and investment objectives. Clients will be responsible for notifying us of any updates regarding their financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however, your investment adviser representative will contact each client at least annually to discuss any changes or updates regarding their financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with clients regarding the status of

their Account. Clients have the ability to impose reasonable restrictions on the management of their accounts, including the ability to instruct us not to purchase certain securities.

It is important that each client understands that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for client account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

ECA may provide recommendations to clients to utilize one or more specific sub-adviser(s) (individually "Sub-Adviser" and collectively "Sub-Advisers"). ECA will conduct due diligence of any recommended Sub-Adviser and monitor the performance of Sub-Adviser with respect to the Sub-Advisor's management of the designated assets of Account relative to appropriate peers and/or benchmarks. ECA will be available to answer questions clients may have regarding any portion of client's Account managed by a Sub-Adviser and will act as the communication conduit between clients and the Sub-Adviser. The recommendation of Sub-Advisers, or other products and funds, may be done on a discretionary or non-discretionary basis with the specific terms outlined in the Advisory Agreement. When a client authorizes ECA to have the ability to select Sub-Advisers or other products and funds on a discretionary basis, ECA will have the authority to select and terminate Sub-Advisers, products or funds without the client's specific approval. A complete description of the Sub-Adviser's services, practices and fees will be disclosed in the Sub-Adviser's Form ADV Part 2A that will be provided to clients.

**Stand-alone Financial Planning Services** – ECA, through its affiliated investment adviser representatives, offers stand-alone financial planning services, which involve preparing a written financial plan covering specific or multiple points. We provide full written financial plans, which typically address the following topics:

- Retirement Planning,
- Insurance Planning,
- College Funding,
- Estate Planning,
- Asset Allocation,
- Tax Reduction Strategies, and
- Investment Planning.

When providing stand-alone financial planning services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that

there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a modular written financial plan. Written financial plans prepared by us do not include specific recommendations of individual securities.

Our Stand-alone financial planning services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our stand-alone financial planning recommendations. To the extent that you would like to implement any of our investment recommendations through ECA or retain ECA to actively monitor and manage your investments, you must execute a separate written agreement with ECA for our asset management services.

### **Newsletters**

ECA occasionally prepares general, educational and informational newsletters. Newsletters are always offered on an impersonal basis and do not focus on the needs of a specific individual or client.

**Educational Seminars** – ECA, through its affiliated investment adviser representatives, hosts informational public seminars that cover general financial and investment topics. Seminars are hosted by an affiliated investment adviser representative of ECA and no fees are charged to attend these Seminars.

### **No Participation in Wrap Fee Programs**

A wrap-fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include asset management and/or advice concerning the selection of other investment advisers) and the execution of client transactions. ECA does not sponsor or participate in wrap-fee programs. All of our services are provided on a non-wrap fee basis which means fees and expenses for execution of client transactions charged by the client's broker/dealer (custodian) are billed directly to the client's account separately from our advisory fees.

### **Limits Advice to Certain Types of Investments**

Elevated Capital Advisors provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- US Government Securities

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Tailor Advisory Services to Individual Needs of Clients**

ECA's advisory services are always provided based on your individual needs. ECA investment adviser representatives work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by ECA**

The amount of assets managed by ECA totaled \$225,235,469 as of Dec 31, 2019.

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of fees and compensation arrangements. It should be noted that lower fees for comparable services may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and your investment adviser representative.

### **Asset Management Services**

Clients who engage ECA to provide discretionary and/or non-discretionary investment advisory services will incur advisory fees, inclusive of all third-party money manager/Sub Advisor fees, that may not exceed 2.25% of the total assets placed under ECA's management.

Fees charged for our asset management services are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client.

### **Payment of Asset Management Fees**

Fees are directly withdrawn from a client's account on a quarterly basis. Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair

market value of your account as of the last business day of the current billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period is based on the value of the Account when services commence.

The asset management services continue in effect until terminated by either party providing notice of termination to the other party. Upon termination of the asset management services, any prepaid fee that remains unearned will be refunded to the client.

Clients will pay advisory fees automatically from the assets held in their account/s at the beginning of each quarter. At any time, clients can request a billing notice detailing the formula used to calculate the fee, the assets under management and the time period covered.

### **Client Responsibility for Third-Party Fees**

In addition to the advisory fees paid to ECA, clients may also incur certain charges imposed by other third parties, such as broker-dealers (custodian), trust companies, banks and other financial institutions. These additional charges may include securities brokerage commissions, transaction fees, custodial fees, management and performance fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

### **Stand-Alone Financial Planning & Consulting Services**

Fees charged for our stand-alone financial planning services are negotiable based upon the type of client, the services requested and the complexity of the client's situation. The following are the fee arrangements available for stand-alone financial planning services offered by ECA.

ECA provides stand-alone written financial planning services under a fixed fee arrangement. A mutually agreed upon fixed fee is charged for stand-alone financial planning services under this arrangement. There is a range in the amount of the fixed fee charged by ECA for financial planning services. The minimum fixed fee is generally \$1,500.00 and the maximum fixed fee is generally no more than \$10,000.00. For example, we typically charge \$1,500 to clients seeking modular financial plans with fewer topics covered. For clients wanting more robust stand-alone financial plans covering multiple topics our standard charge is \$10,000.00.

The amount of the fixed fee for your engagement is specified in your stand-alone Financial Planning Agreement with ECA. Generally, ECA requires clients to pay in advance 50% of the fixed fee at the time an agreement is executed with ECA; however, at no time will ECA require payment of more than \$500 in fees more than six months in advance. The remaining fee is due upon completion of the financial planning services.

Services may also be billed on an hourly basis. Most often, hourly fees are assessed after initial stand-alone planning services are complete and the initial fixed fee is earned. When providing services on an hourly basis, our investment advisor representatives bill at a rate between \$150 and \$500 per hour. Before commencing stand-alone financial planning services on an hourly-fee basis, ECA provides an

estimate of the approximate hours needed to complete the requested stand-alone financial planning services including the agreed upon hourly rate. If ECA anticipates exceeding the estimated number of hours required, your investment adviser representative will contact you to receive authorization to provide additional services. The standard billing dates and events of ECA are the following: (1) the first business day of each month; (2) the date or thereafter that ECA substantially provides the agreed upon services; and (3) the date the engagement is terminated by either the client or ECA. Upon presentment of the invoice to you, you are required to pay ECA immediately any outstanding balance of hourly fees due.

The stand-alone financial planning services terminate thirty (30) days following the delivery of the written financial plan or either the client or ECA providing the other party with written notice.

Clients may terminate the stand-alone financial planning services within five (5) business days of entering into an agreement with ECA without penalty or fees due. If you terminate stand-alone financial planning services after five (5) business days of entering into an agreement, you will be responsible for immediate payment of any financial planning services performed by ECA prior to the receipt of your notice. For stand-alone financial planning services performed by ECA under an hourly arrangement, you will pay ECA for any hourly fees incurred at the rates described above. For stand-alone financial planning services performed by ECA under a fixed fee arrangement, you will pay ECA a pro-rated fixed fee equivalent to the percentage of work completed by ECA as determined by ECA. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by ECA to the client.

Clients may pay fees owed for stand-alone financial planning services by submitting payment directly (for example, by check).

You should notify ECA within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

All fees paid to ECA for stand-alone financial planning services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

Stand-alone financial planning fees paid to ECA for financial planning services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the stand-alone financial planning and consulting fees paid to ECA and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities. If you purchase insurance or annuities through affiliated investment adviser representatives in their separate capacity as an insurance agent, the investment adviser representative will receive a commission for selling such products. Please see Items 10 and Item 14 for more information.

### **Third-Party Money Managers**

Third-party managers generally have account minimum requirements that will vary among managers, based on several factors determined by them. Account minimums are generally higher on fixed income accounts than on equity-based accounts. A complete description of the third-party money manager's services and fee schedules will be disclosed in the Investment Advisory Agreement at the time an agreement for services is executed and the account is established.



The actual Fee charged to clients will vary depending on the fee schedule of the third-party money manager. All fees are calculated and collected by the third-party money manager who will be responsible for delivering our portion of the fee paid by the client to us.

We have a conflict of interest by only offering those third-party money managers that have agreed to pay a portion of the advisory fee to us and have met the conditions of our due diligence review. There may be other third-party money managers that may be suitable for you that may be more or less costly. No guarantees can be made that your financial goals or objectives will be achieved. Further, no guarantees of performance can be offered.

### **Outside Compensation for the Sale of Securities to Clients**

Neither ECA, nor its supervised persons accept any compensation for the sale of securities, including commissions charged for the sale of mutual funds.

ECA does use proprietary portfolio models for clients. The fees charged for ECA models are in line with other third-party money manager fees offered through ECA. This fee is part of the overall advisory management fee and is disclosed to each client before the Advisor Agreement is signed. This is a conflict of interest for the firm, but does not provide incentive to individual representatives to recommend proprietary models as there is no pay incentive attached to these recommendations nor for the amount clients may deposit.

ECA affiliated advisers are obligated to render unbiased and fair financial services to clients. Accordingly, we must take all reasonable steps to avoid any business activities and/or practices that may create conflicts of interest between ECA and the interests of its clients. In the event that it is not possible to avoid a conflict of interest, ECA will take all reasonable steps to mitigate the impact as well as appropriately disclose any such conflict to clients.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because ECA does not charge or accept performance-based fees.

### **Item 7 – Types of Clients**

ECA generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Investment companies
- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations

Clients are required to execute a written agreement with ECA specifying the particular advisory services in order to establish a client arrangement with ECA.

### **Minimum Investment Amounts Required**

The minimum fixed fee generally charged for stand-alone financial planning services on a fixed fee basis is \$250 and the minimum hourly fee generally charged for stand-alone financial planning services is \$150.

Currently, ECA requires a minimum of \$10,000 to establish a managed account unless an exception is granted. Additionally, third-party money managers/sub-advisers may have minimum account and minimum fee requirements in order to participate in their programs. Each-third party money manager will disclose its minimum account size and fees in its Form ADV Part 2A Disclosure Brochure.

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

### **Methods of Analysis**

ECA uses the following methods of analysis in formulating investment advice:

**Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical Analysis** involves the analysis of past market data; primarily price and volume.

**Quantitative Analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

### **Material Risks Involved**

**Fundamental Analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical Analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

**Quantitative Analysis** may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

### **Investment Strategies**

ECA uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments purchased within the last 12 months.

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets may change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.

### **Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client’s specific circumstances and needs.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its

industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Liquidity Risk - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers is a form of liquidity risk. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price. In addition, a particular security or other instrument can become difficult to trade. An illiquid asset may reduce the returns because the investor is not able to sell the assets at the time desired for an acceptable price, or is not able to sell the assets at all.
- Life Insurance & Annuity Risks – Insurance products and annuities are not a deposit or other obligation of, or guaranteed by, a Federal savings association or an affiliate of a Federal savings association. Insurance products are not insured by the Federal Deposit Insurance Corporation (FDIC) or any other agency of the United States, a Federal savings association, or (if applicable) an affiliate of a Federal savings association. Cash value accumulation may not be guaranteed depending on the type of product selected. Investments in variable life insurance are subject to market risk, including loss of principal. Returns are not guaranteed. Variable life products and annuities are subject to market risk and may lose value. You should carefully read and understand any prospectus or other information provided before making the decision to invest in any insurance product.

Investing in securities involves risk of loss that an individual should be prepared to bear. ECA cannot offer any guarantees or promises that a client's financial goals and objectives will be met. Past performance is in no way an indication of future performance.

## **Item 9 – Disciplinary Information**

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

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

ECA is an independent registered investment adviser and only provides investment advisory services (which includes ongoing financial planning), and stand-alone financial planning and consulting services. ECA is not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice and financial planning, our representatives may sell other products, such as insurance, or provide services outside of their role as investment adviser representatives with us.

### **Insurance Agent**

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent may suggest that you implement recommendations of ECA by purchasing disability insurance, life insurance, annuities, or other insurance products. This creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased; however, we have a fiduciary responsibility to place the best interest of the client first and clients are not required to purchase any insurance products through ECA representatives in their separate capacity as insurance agents. Additionally, clients are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. ECA has established a Code of Ethics to comply with the requirements of the securities laws and regulations that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal and states' securities laws. ECA's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. ECA requires its supervised persons to consistently act in the client's best interest in all advisory activities. ECA imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of ECA. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

ECA or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of ECA that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.

ECA and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted by the Chief Compliance Officer of Elevated Capital Advisors.

Any associated person not observing our policies is subject to sanctions up to and including termination.

### **Item 12 – Brokerage Practices**

ECA seeks to ensure that client accounts receive the best overall execution for securities transactions from approved broker-dealers (custodians). Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)

- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered. In the event that the transactions for an account are affected through a custodian that refers investment management clients to ECA, the potential for conflict of interest may arise.

The following are ECA's brokerage practices; however, if the client retains a sub-adviser, the sub-adviser may have different brokerage practices. Please refer to the sub-adviser Form ADV Part 2A or Appendix 1 disclosure brochure and sub-advisory agreement for additional details.

### **Directed Brokerage Accounts**

Client-directed brokerage arrangements allow clients to open a directed brokerage account and select the broker-dealer that will be used for their accounts. However, if clients desire ECA to have access to place orders on directed accounts, the account/s need to be opened at one of our approved custodians that will allow us access to the account. Clients directing the use of a particular broker-dealer or other custodian must understand that they may not be able to obtain the best prices and execution for transactions. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker-dealer or custodian. Directed brokerage account trades are generally placed by ECA after effecting trades for other clients of ECA. In the event that a client directs ECA to use a particular broker-dealer, ECA may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct ECA to use a particular broker or dealer versus clients who do not direct the use of a particular broker-dealer.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

### **Handling Trade Errors**

ECA has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of ECA to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client is responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client does not cause the trade error, the client is made whole and any loss resulting from the trade error is absorbed by ECA if the error is caused by ECA. If the error is caused by the broker-dealer, the broker-dealer is responsible for handling the trade error. If an investment gain results from the correcting trade, the gain remains in the client's account unless the same error involved other client account(s) that should also receive the gains. It is not permissible for all clients to retain the gain. ECA may also confer with a client to determine if the client should forego the gain (e.g., due to tax reasons).

### **Batch or Block Trading Policy**

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy to implement all client orders on an individual basis. Therefore, we do not aggregate or “block” client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviews**

Managed accounts are reviewed at least annually. While the calendar is the main triggering factor, reviews can also be conducted at your request or as determined with your investment adviser representative. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by the investment adviser representative assigned to the account, with reviews performed in accordance with your investment goals and objectives.

Our stand-alone financial planning services terminate upon the presentation of the written plan. Our stand-alone financial planning and consulting services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian.

Whether reports by an outside money manager are provided to you will depend upon the outside money manager.

Stand-alone financial planning clients do not receive any report other than the written plan originally contracted for and provided by ECA.

You are encouraged to always compare any reports or statements provided by us or sub-adviser against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

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

ECA may enter into solicitation agreements pursuant to which it compensates third-party intermediaries for client referrals that result in the provision of investment advisory services by ECA. ECA will disclose



these solicitation arrangements to affected investors, and any cash solicitation agreements will comply with Rule 206(4)-3 under the Advisers Act. Solicitors introducing clients to ECA may receive compensation from ECA, such as a retainer, a flat fee per referral and/or a percentage of introduced capital. Such compensation will be paid pursuant to a written agreement with the solicitor and generally may be terminated by either party from time to time. The cost of any such fees will be borne entirely by ECA and not by any affected client.”

Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

ECA is deemed to have custody of client funds and securities whenever ECA is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody ECA will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For such accounts in which ECA is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client’s name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian’s name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client’s independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from ECA. When clients have questions about their account statements, they should contact ECA or the qualified custodian preparing the statement.

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

When providing asset management services, ECA maintains trading authorization over client account/s and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities, the amount of securities that can be bought or sold and the broker or dealer to be used for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, ECA representatives will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to ECA so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

### **Proxy Voting**

ECA does not, and will not accept authority to vote proxies on behalf of clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your choice as to whether you vote, or do not vote, proxies for securities held in your Account(s).

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided.

With respect to any of your assets subject to sub-advisory relationships, we do not perform proxy-voting services on your behalf. You will need to refer to each sub-advisor's disclosure brochure to determine whether the sub-advisor will vote proxies on your behalf. You may request a complete copy of subadvisor's proxy voting policies and procedures as well as information on how your proxies were voted by contacting ECA at the address or phone number indicated on Page 1 of this disclosure document.

Although ECA does not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

## **Item 18 – Financial Information**

ECA does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

In connection with COVID-19, ECA did receive a PPP small business loan to assist with payroll for some employees. Although a PPP loan was received during the COVID-19 pandemic, at no time was the firm subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

Finally, ECA has not been the subject of a bankruptcy petition at any time.

## Customer Privacy Policy Notice

**Commitment to Your Private Information:** ECA has a policy of protecting the confidentiality and security of information we collect about our clients. We do not, and will not, share nonpublic personal information (“Information”) about you with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

**Why We Collect and How We Use Information.** We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, and providing the advisory services described in our Form ADV.

**How We Gather Information.** We get most Information directly from you when you provide us with information from any of the following sources:

- Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)
- Transactional activity in your account (for example: trading history and account balances)
- Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)
- Other sources with your consent (for example: your insurance professional, attorney or accountant)

**How We Protect Information.** Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic and procedural safeguards to protect Information, which comply with applicable SEC, state, and federal laws.

**Sharing Information with Other Companies Permitted Under Law.** ECA does not disclose information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing Information to unrelated third-parties who need to know such Information in order to assist us with the provision of services to you. Unrelated third-parties may include broker-dealers, mutual fund companies, insurance companies, and the custodian with which your assets are held. In such situations, we stress the confidential nature of Information being shared.

**Former Customers.** Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your non-public information with strict confidentiality.