

## Item 1 – Cover Page

### ADV Part 2A: Firm Brochure

#### Elevated Capital Advisors, LLC

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Sandy, Utah 84070  
385-237-3338

Date of Disclosure Brochure: March 2023

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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 ECA at 385-237-3338. 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

- Item 4 – Investment Advisory Business was updated to show ECA’s AUM figures as of the December 31, 2022.

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 30th 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 – Investment Advisory Business

Elevated Capital Advisors, LLC (hereafter “ECA”) is an investment adviser registered with the SEC under The Investment Adviser 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.

ECA provides investment management and financial planning services to individuals, trusts, estates, charitable organizations, foundations, endowments, corporations, qualified retirement plans, or other businesses not listed above (collectively referred to herein as “client” or “clients”). ECA’s services include the review of client investment objectives and goals, recommending investment products such as cash, portfolios, stocks, mutual funds, exchange-traded-funds (“ETFs”), bonds, annuities, alternatives, and preparing an Investment Policy Statement (“IPS”). ECA’s investment advice is tailored to meet the clients’ needs and investment objectives. clients may impose restrictions on investing in certain securities or types of securities (such as a product type, specific companies, specific sectors, etc.) by providing a signed and dated written notification, of which an e-mail is also an acceptable form of notification.

ECA provides investment advisory and other financial services through independent financial advisors who have either affiliated with ECA or have an investment sub-advisory agreement with the independent financial advisor’s registered investment advisory firm (“Financial Advisor” or “Financial Advisors”). ECA provides discretionary and non-discretionary investment advisory services to its clients through managed advisory accounts. ECA and the Financial Advisor will assist clients in determining the investments that are in the best interest of the client. The Financial Advisor is compensated based on a percentage of assets and the account may be assessed other brokerage and account transaction fees. ECA and the Financial Advisor, as appropriate, will be responsible for the following:

- Perform due diligence in order to select the investments.
- Perform ongoing monitoring and replacement oversight of the investments.
- Provide a client risk profile assessment.
- Provide research and analytics on investment product options, as needed.
- Recommend investments that are in the best interest of the client based on:
  - Risk profile assessment
  - Age
  - Retirement date
  - Investible assets
  - Financial goals
- Prepare a customized IPS for the client.
- Provide ADV Part 2A (Firm Brochure) and Form CRS.
- Obtain the investment advisory agreement from the client with the required IPS and investment selection for each new account or change in investment.
- Perform client best interest compliance review for new accounts including account documentation, IPS, and investment selections.

ECA’s Financial Advisors may also provide a comprehensive financial plan for clients. As part of the plan, the Financial Advisor will advise clients on how to achieve their short-term and long-term financial goals. This may include saving for education, planning for retirement, managing taxes, and insurance. The following elements are addressed, and revised as necessary:

- Develop a retirement strategy for accumulating the retirement income needed.
- Develop a comprehensive risk management plan that may include a review of insurance.
- Develop a long-term investment plan that includes a customized plan based on specific investment objectives and a personal risk tolerance profile.
- Develop a tax reduction strategy for minimizing taxes as allowed by the tax code.
- Develop an estate plan for the benefit and protection of heirs (generally prepared in conjunction with an Estate Attorney).

As of 12/31/2022, ECA disclosed \$311,946,309 in Regulatory Assets under Management (“AUM”). This includes \$297,286,466 in discretionary assets, and \$14,659,843 in non-discretionary assets.

Additional information regarding ECA’s investment advisory services to wealth management and retirement plan clients are described below.

### **Wealth Management**

As part of the financial planning process, the Financial Advisor conducts a personal discussion with the client and completes a risk tolerance assessment to determine the client's goals and objectives. The Financial Advisor then determines the appropriate investment or investments that is in the best interest of the client. Under this arrangement, the client retains individual ownership of all securities.

ECA’s investment recommendations will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Options
- Commercial paper
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- Exchange Traded Funds (“ETFs”)
- Unit Investment Trusts (“UITs”)
- Collective Investment Trust (“CITs”)
- United States governmental securities
- Structured products

ECA continuously monitors the performance of managed portfolios and will make changes when such action is deemed appropriate and in the best interest of the client. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and best interest. To ensure that the initial determination of an appropriate portfolio remains in the best interest of the client and that the account continues to be managed in a manner consistent with the client's financial circumstances, the Financial Advisor will:

1. Conduct a client review, at least annually, to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions.
2. Ensure that they be available to consult with the client.
3. Maintain client suitability information and the IPS in each client's file.

Financial Advisors can choose from the following investment management services:

**Managed Model Portfolios** – May include various third-party money manager portfolios and/or proprietary model portfolios selected and monitored by ECA. ECA has full oversight over the investments and ECA executes the trades on behalf of the client based on direction from the appointed ECA advisor. The client will enter into an ECA Investment Advisory Agreement (IAA). There are no trading or transaction costs for individual stocks and ETFs. client pays all transaction and trading costs for mutual funds and any regulatory fees.

**Advisor Directed Managed Accounts** – This account type allows both discretionary or non-discretionary investing. If discretion is provided to the advisor, investments selected are generally chosen by the advisor, including timing of the investment and the amount. If the client chooses not to allow discretion, then all investment decisions will need to be discussed and approved by the client previously and/or provided directly from the client. If the client intends to make all or most of the investment decisions it would be more advantageous for the client to open a client directed brokerage account with no advisory or administration fees attached.

**Sub-Advisory Services** – ECA may enter into agreements with unaffiliated registered investment advisors (hereafter referred to as “Independent RIA”) whereby ECA oversees and manages on a discretionary basis some or all of the Independent RIA’s client assets according to the investment strategy chosen by the client. In these situations, the client remains a client of the Independent RIA. The decision as to what investment strategy(s) client assets are invested in is based on suitability information gathered and reviewed by the Independent RIA. ECA manages these assets based on its investment strategies and not based on overall client suitability. Strategies are managed on an ongoing basis. The Independent RIA is responsible for the administrative paperwork and servicing the accounts. ECA facilitates the billing on behalf of the Independent RIA.

**Solicitor Services** – ECA may enter into a Solicitor Agreement, which means that either ECA or a third-party money manager will manage client assets obtained through a referral source (Solicitor). ECA will compensate the Solicitor or be compensated as a solicitor according to the fee structure agreed upon within the agreement. In cases where ECA splits management fees with a Solicitor, ECA will verify whether or not Solicitor is required to be a licensed and registered associate in the state where they reside.

**Self-Directed Brokerage Account (“SDBA”) for Employer Sponsored Retirement Plans through The Pacific Financial Group (“TPFG”)** – This program is available to clients in connection with retirement accounts under the Employee Retirement Investment Security Act of 1974 (“ERISA”), or under Sections 401(a) or 408 of the Internal Revenue Code of 1986 (“Code”). For the SDBA Program, the client will open a Self-Directed Brokerage Account (a “Self-Directed account”) as permitted by the client’s retirement plan which permits the participant (i.e., the client) to direct the investments in the account and in most cases, to appoint TPGF as the adviser to the account. Assets held in the Self-Directed account are considered plan assets under ERISA, but are not supervised or reviewed by the plan fiduciaries. The

program is the same as the SDBA except the Model Portfolios (each a “Model”) are held in traditional brokerage accounts and not part of a retirement plan.

When choosing SDBAs, clients are referred to TPFG by their financial adviser (“Adviser”) through ECA, which has contracted with TPFG to allow the Adviser to offer TPFG’s products and services to the Introducing Firm’s clients. The Introducing Firm is responsible for supervising the activities of its Advisers. In this regard, TPFG and the Introducing Firm each have their respective and several obligations to the client. Accordingly, the client is a client of both TPFG and the Introducing Firm. The Adviser serves as the primary relationship contact with the client.

TPFG and Adviser will serve as fiduciaries to the client in accordance with the rules and regulations under the Advisers Act, ERISA, and generally accepted fiduciary principles which permits the allocating of fiduciary duties between fiduciaries. Accordingly, unless prohibited by law, the fiduciary obligations assumed are several between TPFG and Adviser and are outlined in the IMA. When TPFG is providing services to private clients (See TPFG as Adviser to private clients), the services provided to Private clients, to include any fiduciary responsibilities, shall be viewed in light of the provisions of the Uniform Prudent Investor Act as applicable under governing law.

ERISA Fiduciary Obligations - To the extent an Account is governed by the Employee Retirement Income Security Act of 1974 (“ERISA”), TPFG and Financial Adviser shall be fiduciaries under Section 3(21)(A) of ERISA only.

### **Financial Planning**

Through the financial planning process, the Financial Advisor engages with the client to determine their goals, objectives, priorities, vision, and legacy (both for the near term as well as for future generations). With the unique goals and circumstances of each client in mind, the Financial Advisor will offer financial planning ideas and strategies to address the client’s holistic financial picture, including estate, income tax, charitable, cash flow, wealth transfer, and client legacy objectives. The Financial Advisor partners with the client’s other advisors (CPAs, Enrolled Agents, Estate Attorneys, Insurance Brokers, etc.) to ensure a coordinated effort of all parties toward the client’s stated goals. Such services include various reports on specific goals and objectives or general investment and/or planning recommendations, guidance to outside assets, and periodic updates.

Our specific services in preparing the financial plan may include:

- Review and clarification of the client’s financial goals.
- Assessment of client’s overall financial position including cash flow, balance sheet, investment strategy, risk management, and estate planning.
- Creation of a unique plan for each goal, including personal, education, retirement or financial independence, charitable giving, estate planning, and other personal goals.
- Development of a goal-oriented investment plan, with input from various advisors to the client around tax suggestions, asset allocation, expenses, risk, and liquidity factors for each goal. This includes IRA and qualified plans, taxable, and trust accounts that require special attention.
- Design of a risk management plan including risk tolerance, risk avoidance, mitigation, and transfer, including liquidity as well as various insurance and possible company benefits.
- Development and implementation of, in conjunction with the client’s estate and/or corporate attorneys as tax adviser, an estate plan to provide for the client’s heirs in the event of an incapacity or death.

A written evaluation of the client's initial situation and financial plan is provided to the client. The Financial Advisor will review the financial plan with the client based on the terms of the financial planning agreement.

## Item 5 – Fees and Compensation

Clients who engage ECA to provide discretionary and/or non-discretionary investment advisory services will incur advisory fees, inclusive of all sub advisory and/or solicitor fees, that may not exceed **2.25%** of the total assets placed under ECA’s management. The fee amount will depend on the Financial Advisor and program chosen and all advisory fees will be provided in writing before signing an Investment Advisory Agreement.

### **Managed Model Portfolios**

| Annual ECA Administration Fee* | Annual Financial Advisor Fee |
|--------------------------------|------------------------------|
| 0.25 - 0.75%                   | 0.00- 1.25%                  |

*\*The ECA administration fee a client pays will be disclosed in detail on the Investment Advisory Agreement. The fee varies based on the amount of AUM being managed and other factors and will not go above 0.75%.*

### **Advisor Directed Managed Accounts**

| Annual ECA Administration Fee | Annual Financial Advisor Fee |
|-------------------------------|------------------------------|
| 0.25%                         | 0.00 – 1.75%                 |

Fees charged for our Managed Model Portfolios and Advisor Directed Account 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.

### **Self-Directed Brokerage Account (“SDBA”)**

| Advisory Fee* | Administration Services Fee |
|---------------|-----------------------------|
| 1.25%         | 0.80%                       |

*\*TPFG will pay ECA 0.75% of the advisory fee shown above. ECA then pays the clients financial advisor 0.50% with the remaining 0.25% staying with ECA for administration services. The portion ECA and the client’s financial advisor receives does not change the stated Advisory Fee shown above. Included in the Administration fee above is a 12b-1 Fee of 0.10%. This fee is paid by the Funds to the Fund’s distributor Northern Lights Distributors, LLC a broker dealer specializing in mutual funds distribution. Neither TPFG nor ECA receives any 12b-1 fees.*

### **Payment of Fees for Managed Accounts**

With the exception of SDBA accounts, fees are directly withdrawn from a client's account on a quarterly basis. Fees 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.

### **Payment of Fees for SDBA Accounts**

In this program clients invest in models that consist solely of PFG funds managed by TPFG's Affiliate, PFG. The PFG Funds pay the fees which are indirectly paid by the client as a shareholder of the PFG Funds. These fees are internal expenses of the PFG Funds and are not negotiable. The fees are assessed against the daily Net Asset Value ("NAV") of each underlying fund and are paid monthly. Clients will indirectly pay through the PFG Funds.

In addition to the discussion of fees paid by the client in this Brochure, the amounts and sources of all fees paid by the client to TPFG and the Adviser are disclosed in the Separate Fee Disclosure available when opening an SDBA Account. By evaluating these disclosure documents with the assistance of the client's Adviser, the client will be able to make fully informed decisions.

### **Financial Planning and hourly Consulting**

ECA's Financial Advisors can provide stand-alone comprehensive financial planning services or hourly consulting that encompasses the client's entire financial picture. These services are outside of ECA's managed account services. For clients in a managed account program, financial planning is offered by your adviser as part of ECA's service to clients. When choosing stand-alone financial planning, the Financial Advisor will advise clients on how to achieve their short-term and long-term financial goals. This may include saving for education, planning for retirement, and effectively managing taxes and insurance. The fee for financial planning typically ranges from \$1,500 - \$10,000 depending on the complexity and hours required. The fee for financial planning is on a flat rate per engagement basis and is due upon execution of the financial planning agreement. The financial planning services can be terminated at any time. Client will be entitled to a refund of unearned fees, if any, based upon the time and effort completed prior to termination of the Agreement. No refunds will be made after completion of the plan.

If client circumstances or objectives change during the financial planning engagement, such that new information must be reviewed and incorporated into the recommendation, there may be an additional charge. If there is a substantial change during the project, the Financial Advisor may require an amended Agreement. The fee set forth is for financial analysis and investment advisory services only and does not include any other professional services that may be required by client to implement the recommendations made by Advisor.



Hourly consulting services can also be provided by the Advisor. Most often, hourly fees are assessed after financial planning services are complete and the initial fixed fee is earned. When providing consulting services on an hourly basis, our Financial Advisor representatives bill at a rate between \$150 and \$500 per hour. Before commencing consulting services on an hourly-fee basis, ECA provides an estimate of the approximate hours needed to complete services including the agreed upon hourly rate. If ECA anticipates exceeding the estimated number of hours required, your Financial Advisor 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.

### **General Information**

**Mutual Fund and ETF Fees:** All fees paid to ECA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, redemption fees, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the prospectus. A client could invest in a mutual fund or ETF directly without ECA's services and in that case, the client would not receive the services provided by ECA which are designed, among other things, to assist the client in determining which mutual fund or ETF are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds, ECA's fees, and the Financial Advisor fees to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the investment advisory services being provided.

**Additional Fees and Expenses:** Clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any trading charges, redemption fees, regulatory fees, or transaction charges imposed by a broker-dealer with which an independent investment manager effects transaction for the client's account(s).

**Investment Advisory Fees in General:** Clients should note that similar investment advisory services may be available from other investment advisors for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances does ECA require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

ECA does not charge performance-based fees.

## **Item 7 – Types of Clients**

ECA provides investment advisory services to the following types of clients through Financial Advisors and there may be a minimum investment up to \$250,000 depending on the account type and portfolio:

- Individuals
- High net worth individuals
- Investment companies

- Pension and profit-sharing plans
- Trusts, estates, or charitable organizations
- Retirement account
- Trusts
- Estates
- Corporations or other businesses not listed above

### **Minimum Investment Amounts Required**

Currently ECA requires a minimum of \$10,000 to establish a managed account unless an exception is granted. Additionally, third-party money managers/sub-advisors may have minimum account and minimum fee requirements in order to participate in their programs. Each-third party money manager or sub-advisor will disclose their 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:** This involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

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

**Quantitative Analysis:** This 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.

**Risk Tolerance:** To further fine tune our understanding of a client's risk tolerance, our Firm does utilize Riskalyze, a third-party vendor tool to assist in identifying the client's risk tolerance. Riskalyze technology assists Financial Advisors with two critical tasks: (1) measuring the risk preferences of investors, and (2) applying these preference measurements to portfolio selection. Riskalyze summarizes an investor's mean-variance risk aversion on a 99- point scale. In connection with this output, the Riskalyze tool "quantifies" the client's indicated investment risk tolerance through the illustration of expected return (plus/minus) and investment volatility (investment variance) which uses past data to calculate expected variance. Once the Risk Score is identified, the Financial Advisor prepares an IPS for the client.

**Monitoring:** The ongoing monitoring of investments is a regular and disciplined process. Monitoring confirms that the criteria remain satisfied and that an investment continues to be appropriate. The process of monitoring investment performance relative to specified guidelines will be consistently applied and frequent change of investments is neither expected nor desired. Monitoring will utilize some of the same selection criteria used in the selection analysis. Unusual, notable, or extraordinary events will be communicated to the Financial Advisor and client on a timely basis. Examples of such events include investment manager or team departure, violation of investment guidelines, material litigation against the firm, or material changes in firm ownership structure and announcements thereof.

## **Investment Strategies**

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

**Long-Term Purchases** – Investments held at least one year

**Short-Term Purchases** – Investments purchased within the last 12 months.

**Fixed Income Management** - Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. Individual bonds may be the best-known type of fixed income security, but the category also includes bond mutual funds, ETFs, CDs, structured products, and money market funds.

**Tactical Asset Allocation Management** - An active management portfolio strategy that rebalances the percentage of assets held in various categories in order to take advantage of market pricing anomalies or strong market sectors. This strategy allows portfolio managers to create extra value by taking advantage of certain situations in the marketplace. It is an active strategy since the investment manager may return to the portfolio's original strategic asset mix when desired short-term profits are achieved. The investment manager may use fundamental, technical, and/or macroeconomic analysis in determining when and how to change the investments in the portfolio

**Strategic Asset Allocation Management** - A passive portfolio strategy that involves periodically rebalancing the portfolio in order to maintain a long-term goal for asset allocation. At the inception of the portfolio, a target allocation is established based on expected returns. Because the value of assets can change given market conditions, the portfolio constantly needs to be re-adjusted to meet the policy. Asset allocation is an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame.

## **Risks**

The strategies and investments may have unique and significant tax implications. ECA strongly recommends that clients continuously consult with a tax professional prior to and throughout the investing of client assets. Investing in securities involves risk of loss that clients should be prepared to bear. Although investments are selected in a manner consistent with client's risk tolerances, there can be no guarantee that the investments will be successful. Clients should be prepared to bear the risk of loss.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends, and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Regardless of the methods of analysis or strategies suggested for clients' particular investment goals, clients should carefully consider these risks, as they all bear risks.

- **Interest-rate Risk:** Fluctuations in interest rates may cause security prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their prices to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Concentration Risk:** A portfolio that is less diversified across countries, geographic regions, sectors, or industries is generally riskier than more diversified portfolios. A portfolio that focuses on a single country, or a specific region, sector or industry, is more exposed to that country's, regions, sectors, or industry's economic cycles, stock market valuations and political risks, among others, compared with a more diversified portfolio. The economies and financial markets of certain regions can be interdependent and may be adversely affected by the same events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Issuer Risk:** A portfolio's performance depends on the performance of individual securities to which the portfolio has exposure. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline or become worthless.
- **Currency Risk:** Overseas investments, even if made by domestically based companies, are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Income Risk:** A portfolio's income may decline when interest rates decrease. During periods of falling interest rates an issuer may be able to repay principal prior to the security's maturity ("prepayment"), causing the portfolio to have to reinvest in securities with a lower yield, resulting in a decline in the portfolio's income.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Credit/Default Risk:** Debt issuers and other counterparties of fixed income securities or instruments may default on their obligation to pay interest, repay principal, or make a margin payment, or default on any other obligation.
- **U.S. Economic Risk:** The United States is a significant trading partner with other countries. Certain changes in the U.S. economy may have an adverse effect on the economy and markets of other countries.
- **Cybersecurity Risk:** In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at ECA or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential

information, and generally compromise ECA's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. ECA has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because ECA does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

- **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

ECA is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of ECA's investment advisory business or the integrity of ECA's management. ECA's management personnel have no reportable disciplinary events to disclose.

## Item 10 – Other Financial Industry Activities and Affiliations

ECA always endeavors to put the best interest of its clients first as part of ECA's fiduciary duty as a registered investment advisor; ECA takes the following steps to address this:

- Disclose to clients the existence of all material conflicts of interest, including the potential for ECA and ECA employees to earn compensation from investment advisory clients in addition to ECA's investment advisory fees;
- Disclose to clients that they are not obligated to purchase recommended investment products from ECA employees or ECA affiliated companies;
- Collect, maintain, and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance; ECA's management conducts regular reviews of each new client account to verify that all recommendations made are in the best interest of the client;
- Require that ECA employees seek prior approval of any outside employment activity so that ECA may ensure that any conflicts of interests in such activities are properly addressed;

- Periodically monitor outside employment activities to verify that any conflicts of interest continue to be properly addressed by ECA; and
- Educate ECA employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

### **Insurance Services**

Management personnel of ECA and Financial Advisors affiliated with ECA may act as agents for various insurance companies. As such, these individuals can receive separate, yet customary commission compensation resulting from implementing insurance product transactions on behalf of investment advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of investment advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

### **Solicitor Arrangements**

ECA has solicitor agreements and arrangements with unaffiliated registered investment advisory firms, where ECA is either a solicitor for the named firm or the named firm is a solicitor to ECA. Such a solicitor arrangement, if any, is on a per client basis, and the client along with ECA and the unaffiliated firm executes a disclosure notifying them of the particulars of such an arrangement. ECA solicitor agreements and arrangements are with firms only and does not have any agreements and arrangements with individuals whether licensed or otherwise.

### **Outside Business Activities**

Additionally, management personnel of ECA and Financial Advisors affiliated with ECA may engage in outside business activities. As such, these individuals can receive separate compensation resulting from their positions outside of advising their ECA clients.

Clients should be aware that the ability to receive additional compensation by ECA and its management persons or employees creates conflicts of interest that impair the objectivity of ECA and these individuals when making advisory recommendations. ECA and its IARs endeavor always to put the interest of its clients first as part of its fiduciary duty as a Investment Adviser Representative and take the following steps, among others, to address this conflict:

- Disclose to clients the existence of all material conflicts of interest, including the potential to earn compensation from advisory clients in addition to advisory fees.
- Disclose to clients that they have the right to decide to purchase recommended investment products.
- Collect, maintain, and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and liquidity needs.
- Conduct a review of each new client's advisory account to verify that all recommendations made to the client are in the best interest of the client's needs and circumstances.
- Require that its employees seek prior approval of any outside employment activity so that ECA may ensure that any conflicts of interests in such activities are properly addressed.

- Periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by ECA.
- Educate its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

### **Code of Ethics Summary**

ECA has adopted a Code of Ethics which sets forth high ethical standards of business conduct that ECA require of its employees and is compliant with applicable federal securities laws.

An investment adviser representative is considered a fiduciary and has a fiduciary duty to all clients. 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.

ECA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While ECA does not believe that it has any access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. You may request a copy by calling ECA at 385-237-3338.

## **Item 12 – Brokerage Practices**

ECA does not have any soft-dollar arrangements and does not receive any soft-dollar benefits. ECA utilizes independent qualified custodians that include custody of securities, trade execution, clearance, and settlement of transactions. ECA requires that clients provide written authority to determine the broker-dealer (custodian) to use and the commission costs that will be charged to clients for transactions. Clients must include any limitations on this discretionary authority when filling in the Investment Advisory Agreement or provide it separately in writing. Clients may change or amend these limitations as required. Such amendments must be provided to ECA in writing. As a matter of policy and practice, ECA generally does block client trades for the purpose of trade execution. However, certain client trades may be executed before others and at a different price. Using ECA's institutional trading platform, clients may not receive volume discounts.

## **Item 13 – Review of Accounts**

While the underlying securities within clients' accounts are monitored, these accounts are reviewed at least annually by the client's Financial Advisor. Accounts are reviewed in the context of the investment objectives and guidelines of each investment, the risk score, as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

**REPORTS:** Clients will receive monthly and/or quarterly statements and confirmations of transactions directly from their custodian. ECA may provide additional reports summarizing account performance and balances. Clients are encouraged to always compare any reports or statements provided by ECA or a sub-advisor against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact your financial advisor and/or the qualified custodian preparing the statement.

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

ECA has entered 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 assets under management. 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.

## **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 representative or supervised person has the ability to access or control client funds or securities, the investment adviser representative or supervised person 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**

Clients may hire ECA to provide discretionary investment management services, in which case ECA places trades in a client's account without contacting the client prior to each trade to obtain the client's permission. ECA's discretionary authority includes the ability to do the following without contacting the client to:

- Determine the security to buy or sell; and/or



- Determine the amount of the security to buy or sell; and/or
- Determine which third-party money manager(s) to hire or fire.

Clients can give ECA discretionary authority when they sign the IAA with ECA and may limit this authority by giving ECA written instructions. Clients may also change or amend such limitations by providing ECA with written instructions. ECA requires written authority to determine which securities and the amounts of securities that are bought or sold in a client's account if discretion is limited or not allowed by the client

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

As a matter of firm policy, ECA does not vote proxies on behalf of clients. Therefore, although ECA may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets. ECA does not offer any consulting assistance regarding proxy issues to clients. ECA will not forward any proxy materials received.

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

Under no circumstances does ECA require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, ECA is not required to include a financial statement. As an investment advisory firm that maintains discretionary authority for client accounts, ECA is also required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual obligations. ECA has no additional financial circumstances to report. has not been the subject of a bankruptcy petition at any time during the past ten years.

## Customer Privacy Policy Notice

Federal law now requires financial institutions to inform clients of their policies relating to the protection of personal financial information. The following statement describes how ECA protects your private and confidential information:

We collect and maintain nonpublic, personal information we receive from you directly, on applications, other forms and from your transactions with unaffiliated parties and us. This information includes, for example, your name, address, Social Security number, assets, income, financial needs and goals, account balances and transactions, including those with unaffiliated third parties. We use this information only to process your requests and transactions and to provide you with financial advice.

We will not disclose any nonpublic personal information about you to any third party, except as may be required by law, regulatory or accounting procedures, or upon your written request.

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your personal information.

Please call if you have any questions because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.