

**Item 1          Cover Page**

Live Oak Wealth Advisory Group, LLC

**ADV Part 2A, Firm Brochure  
Dated: April 24, 2018**

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**This Brochure provides information about the qualifications and business practices of Live Oak Wealth Advisory Group, LLC (“LOWAG” or the “Firm”). If you have any questions about the contents of this Brochure, please contact us at (281) 822-9200 or [jsolo@liveoakwag.com](mailto:jsolo@liveoakwag.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Live Oak Wealth Advisory Group, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information you may use to determine to hire or retain an Adviser.**

**Additional information about Live Oak Wealth Advisory Group, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site using a unique identifying number, known as a CRD number. LOWAG’s CRD number is 154962.**

## **Item 2           Material Changes**

The material changes in this brochure from the last annual updating amendment of Live Oak Wealth Advisory Group, LLC on March 17, 2017 are described below. Material changes relate to Live Oak Wealth Advisory Group, LLC's policies, practices or conflicts of interests.

- Live Oak Wealth Advisory Group, LLC has updated outside business activities (Item 10).

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#### Item 4            Advisory Business

- A. Live Oak Wealth Advisory Group, LLC (“LOWAG”) is a limited liability company formed on August 12, 2010 in the State of Texas. LOWAG became registered as an Investment Adviser Firm in September 2010. The Firm is owned by Jonathan Solo. Jonathan Solo is the Firm’s Managing Member.
- B. As discussed below, LOWAG offers to its clients (individuals, high net worth individuals, trusts, and estates) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

#### INVESTMENT ADVISORY SERVICES

The client can determine to engage LOWAG to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis. LOWAG’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Firm’s management. LOWAG’s annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of LOWAG), LOWAG may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

#### FINANCIAL PLANNING AND CONSULTING SERVICES

To the extent requested by a client, LOWAG *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging LOWAG to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement*, setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to LOWAG commencing services. If requested by the client, LOWAG may recommend the services of other professionals for implementation purposes. (*See* disclosure at Item 10 C.8). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from LOWAG. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify LOWAG if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/ evaluating/ revising LOWAG’s previous recommendations and/or services.

## MISCELLANEOUS

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by the client, LOWAG may provide financial planning and related consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. LOWAG does not serve as a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, LOWAG does not prepare estate planning documents or tax returns. To the extent requested by a client, LOWAG may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.), including representatives of LOWAG in their separate individual capacities as licensed insurance agents. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from LOWAG and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note-Conflict of Interest:** The recommendation by LOWAG's representative that a client purchase an insurance commission product through LOWAG's representative in his/her separate and individual capacity as an insurance agent, presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products through such a representative. Clients are reminded that they may purchase insurance products recommended by LOWAG through other, non-affiliated insurance agencies. **LOWAG's Chief Compliance Officer, Jonathan Solo, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If LOWAG recommends that a client roll over their retirement plan assets into an account to be managed by LOWAG, such a recommendation creates a conflict of interest if LOWAG will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by LOWAG. LOWAG's Chief Compliance Officer, Jonathan Solo, remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Separately Managed Account Programs.** LOWAG may allocate (and/or recommend that the client allocate) a portion of a client's investment assets among

affiliated Separately Managed Account programs, including Interactive Brokers Money Manager Marketplace, in accordance with the client's designated investment objective(s). In such situations, the Separately Managed Account Manager shall have day-to-day responsibility for the active discretionary management of the allocated assets. LOWAG shall continue to render investment advisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which LWOAG shall consider in recommending Separately Managed Account programs include the client's designated investment objective(s) as applied to the Separately Managed Account program: management style, performance, reputation, financial strength, reporting, pricing, and research.

**ByAllAccounts.** LOWAG, in conjunction with the services provided by ByAllAccounts, Inc., may also provide periodic comprehensive reporting services which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by LOWAG (the "Excluded Assets"). **The client and/or their other advisors that maintain trading authority, and not LOWAG, shall be exclusively responsible for the investment performance of the Excluded Assets.** Unless otherwise specifically agreed to, in writing, LOWAG's service relative to the Excluded Assets is limited to reporting only. The sole exception to the above shall be if LOWAG is specifically engaged to monitor and/or allocate the assets within the client's 401(k) account maintained away at the custodian directed by the client's employer. As such, except with respect to the client's 401(k) account (if applicable), LOWAG does not maintain any trading authority for the Excluded Assets. Rather, the client and/or the client's designated other investment professional(s) maintain supervision, monitoring and trading authority for the Excluded Assets. If LOWAG were asked to make a recommendation as to any Excluded Assets, the client is under absolutely no obligation to accept the recommendation, and LOWAG shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. In the event the client desires that LOWAG provide investment management services for the Excluded Assets, the client may engage LOWAG to do so pursuant to the terms and conditions of the Investment Advisory Agreement between LOWAG and the client.

**Please Note: Non-Discretionary Service Limitations.** Clients that determine to engage LOWAG on a non-discretionary investment advisory basis **must be willing to accept** that the Firm cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, LOWAG will be unable to effect any account transactions (as it would for its discretionary clients) **without first obtaining the client's verbal consent.**

**Client Obligations.** In performing its services, LOWAG shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is

advised that it remains his/her/its responsibility to promptly notify LOWAG if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/ evaluating/ revising LOWAG's previous recommendations and/or services.

**Disclosure Statement.** A copy of the Firm's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement* or *Financial Planning and Consulting Agreement*.

- C. LOWAG shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, LOWAG shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on LOWAG's services.
- D. LOWAG does not participate in a wrap fee program.
- E. As of December 31, 2017, LOWAG had \$57,381,034 in assets under management on a discretionary basis and \$1,785,443 in assets under management on a non-discretionary basis.

**Item 5 Fees and Compensation**

A.

**INVESTMENT ADVISORY SERVICES**

If a client determines to engage LOWAG to provide discretionary and/or non-discretionary investment advisory services on a *fee* basis, LOWAG's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under LOWAG's management (between negotiable and 1.75%), as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
\$0 - \$500,000	1.75%
\$501,000 - \$1,000,000	1.50%
> \$1,000,000	1.25%

LOWAG's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of LOWAG), LOWAG may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

## FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, LOWAG *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. LOWAG's planning and consulting fees are negotiable, but generally range from \$1,250 to \$5,000 on a fixed fee basis, and from \$125 to \$250 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have the Firm's advisory fees deducted from their custodial account. Both LOWAG's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of LOWAG's investment advisory fee and to directly remit that management fee to LOWAG in compliance with regulatory procedures. In the limited event that LOWAG bills the client directly, payment is due upon receipt of LOWAG's invoice. LOWAG shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, LOWAG shall generally recommend that Raymond James Investments ("*Raymond James*") and/or Interactive Brokers LLC ("*Interactive Brokers*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Raymond James* and *Interactive Brokers* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Clients will incur, in addition to LOWAG's investment management fee, brokerage commissions and/or transaction fees, and, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. The Firm's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. The *Investment Advisory Agreement* between LOWAG and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, LOWAG shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.
- E. The Firm does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

LOWAG may charge performance-based fees to clients who have at least \$1,000,000 in portfolio assets managed by the firm, or who together with their spouse have a net worth of at least \$2,100,000 excluding his or her principal residence. Clients are advised that performance-based fees involve a sharing of any portfolio gains between the client and the investment manager. Such performance-based fees create an economic incentive for LOWAG to take additional risks in the management of a client portfolio, or portion of a client portfolio that may be in conflict with the client's current investment objectives and tolerance for risk. No performance-based fees will be assessed until the portfolio, on a cumulative basis from account inception, is in a net gain position.

Performance-based fees are in addition to the asset-based fees detailed in Item 5 of this Brochure. Clients are also advised that as a result of the standard asset-based fee and the performance-based fee, the investment manager has an economic incentive to recommend a performance-based fee structure.

Performance-based fees may only be offered to clients who meet one of the following criteria:

- A natural person who or a company that immediately after entering into the contract has at least \$1,000,000 under the management of the investment adviser
- A natural person who or a company that the investment adviser entering into the contract (and any person acting on his behalf) reasonably believes, immediately prior to entering into the contract, either:
  - Has a net worth (together, in the case of a natural person, with assets held jointly with a spouse, excluding principal residence) of more than \$2,100,000, at the time the contract is entered into; or
  - Is a qualified purchaser as defined in section 2(a)(51)(AA) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(51)(A)) at the time the contract is entered into; or
- A natural person who immediately prior to entering into the contract is:
  - An executive officer, director, trustee, general partner, or person serving in similar capacity of the investment adviser; or
  - An employee of the investment adviser (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser) who, in connection with his or her regular functions or duties, participates in the investment activities of such investment adviser, provided that such employee has been performing such functions and duties

for or on behalf of the investment adviser, or substantially similar functions or duties for or on behalf of another company for at least 12 months.

## **Item 7           Types of Clients**

The Firm's clients shall generally include individuals, high net worth individuals, trusts, and estates. LOWAG does not generally require an annual minimum fee or asset level for investment advisory services. LOWAG, in its sole discretion, may charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). A minimum of \$100,000 of assets under management is required for our services. This account size may be negotiable under certain circumstances

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

A. The Firm may utilize the following methods of security analysis,:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Firm may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Short Sales (contracted sale of borrowed securities with an obligation to make the lender whole)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by LOWAG) will be profitable or equal any specific performance level(s).

- B. The Firm's methods of analysis and investment strategies do not present any significant or unusual risks.

Notwithstanding, every method of analysis has its own inherent risks. To perform an accurate market analysis LOWAG must have access to current/new market information. The Firm has no control over the dissemination rate of market information; therefore, unbeknownst to LOWAG, certain analyses may be compiled with outdated market information, severely limiting the value of LOWAG's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Firm's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, LOWAG may also implement and/or recommend – short selling, use of margin, and/or options transactions. Each of these strategies has a high level of inherent risk. (*See* discussion below).

**Short Sales.** Short selling, which involves the selling of assets that the investor does not own, is an investment strategy with a high level of inherent risk. The investor borrows the assets from a third party lender (i.e. Broker-Dealer) with the obligation of buying identical assets at a later date to return to the third party lender. Individuals who engage in this activity shall only profit from a decline in the price of the assets between the original date of sale and the date of repurchase. Conversely, the short seller will incur a loss if the price of the assets rises. Other costs of shorting may include a fee for borrowing the assets and payment of any dividends paid on the borrowed assets.

**Margin Transactions.** A margin transaction strategy, in which an investor uses borrowed assets to purchase financial instruments, involves a high level of inherent risk. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin

is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by LOWAG in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to LOWAG may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential **conflict of interest** whereby the client's decision to employ margin may correspondingly increase the management fee payable to LOWAG. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

**Options Strategies.** The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by LOWAG shall be with the intent of offsetting/"hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by LOWAG is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct LOWAG, in writing, not to employ any or all such strategies for his/her/their/its accounts.

For detailed information on the use of options and option strategies, please refer to the Option Clearing Corp.'s Option Disclosure Document, which can be found at: <http://www.optionsclearing.com/components/docs/riskstoc.pdf>  
Hard copies may be ordered by calling 1-888-678-4667 or writing OCC, 1 North Wacker Drive, Suite 500 Chicago, IL 60606.

**Inverse/Enhanced Market Strategies.** LOWAG may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in either an: (1) inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk; and (2) enhanced relationship to certain market indices (at a rate of 1 or more times the actual result of the corresponding index) as an investment strategy and/or for the purpose of increasing gains in an advancing market. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct LOWAG, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, LOWAG primarily allocates client investment assets among various individual equity and fixed income securities, mutual funds and/or exchange traded funds (“ETFs”) (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary and non-discretionary basis in accordance with the client’s designated investment objective(s).

**Item 9            Disciplinary Information**

LOWAG has not been the subject of any disciplinary actions.

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

- A. Neither LOWAG, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither LWOAG, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Licensed Insurance Agents.** William K. Jobes, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage William K. Jobes in his individual capacity to purchase insurance products on a commission basis.

**Conflict of Interest:** The recommendation by LOWAG’s representatives that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client’s need. No client is under any obligation to purchase any commission products from William K. Jobes. Clients are reminded that they may purchase insurance products recommended by LOWAG through other, non-affiliated insurance agents. **The Firm’s Chief Compliance Officer, Jonathan Solo, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

Jonathan Solo is the General Partner, Sponsor and Managing Member of QuantStrat Equity Fund, LP. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Live Oak Wealth Advisory Group, LLC always acts in the best interest of the client and clients always have the right to decide whether or not to

utilize the services of any representative of Live Oak Wealth Advisory Group, LLC in such individual's outside capacities.

Jonathan Solo is a dual registered investment adviser representative with another registered investment adviser firm. He may offer clients the advisory services of the other firm. This presents conflict of interest based on the management fees charged and compensation received from the other firm. Clients always have the right to decide which firm's advisory services to accept and are not required to utilize the services recommended by any representative of Live Oak Wealth Advisory Group, LLC or in their capacity as a representative of another firm.

- D. The Firm does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Firm maintains an investment policy relative to personal securities transactions. This investment policy is part of LOWAG's overall Code of Ethics, which serves to establish a standard of business conduct for all of LOWAG's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, LOWAG also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by LOWAG or any person associated with LOWAG.

- B. Neither LWOAG nor any related person of LOWAG recommends, buys, or sells for client accounts, securities in which LOWAG or any related person of LOWAG has a material financial interest.
- C. The Firm and/or representatives of the Firm *may* buy or sell securities that are also recommended to clients. This practice may create a situation where LOWAG and/or representatives of LOWAG are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if LOWAG did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed before those of LOWAG's clients) and other potentially abusive practices.

LOWAG has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the LOWAG's "Access Persons." LOWAG's securities transaction policy requires that Access

Person of LOWAG must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Furthermore, Access Persons must provide the Chief Compliance Officer with a quarterly transaction report, detail all trades in the Access Person's account during the previous quarter; and on an annual basis, each Access Person must provide the Chief Compliance Officer with a written report of the Access Person's current securities holdings. However, at any time that LOWAG has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Firm and/or representatives of the Firm *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where LOWAG and/or representatives of LOWAG are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11C, LOWAG has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of LOWAG's Access Persons.

## **Item 12      Brokerage Practices**

- A. In the event that the client requests that LOWAG recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct LOWAG to use a specific broker-dealer/custodian), LOWAG generally recommends that investment management accounts be maintained at *Raymond James* and/or *Interactive Brokers*. Prior to engaging LWOAG to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with LOWAG setting forth the terms and conditions under which LOWAG shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that LOWAG considers in recommending *Raymond James* and/or *Interactive Brokers* (or any other broker-dealer/custodian to clients) include historical relationship with LOWAG, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by LOWAG's clients shall comply with LOWAG's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where LWOAG determines, in good faith, that the commission/ transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although LWOAG will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage

commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, LWOAG's investment management fee. LOWAG's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, LOWAG may receive from *Raymond James* and/or *Interactive Brokers* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, mutual fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist LOWAG to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by LOWAG may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by LWOAG in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist LOWAG in managing and administering client accounts. Others do not directly provide such assistance, but rather assist LOWAG to manage and further develop its business enterprise.

LOWAG's clients do not pay more for investment transactions effected and/or assets maintained at *Raymond James* and/or *Interactive Brokers* as a result of this arrangement. There is no corresponding commitment made by LOWAG to *Raymond James* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Firm's Chief Compliance Officer, Jonathan Solo remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. The Firm does not receive referrals from broker-dealers.
3. The Firm does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and LOWAG will not

seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by LOWAG. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs LOWAG to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through LOWAG. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**The Firm's Chief Compliance Officer, Jonathan Solo, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that LOWAG provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless LOWAG decides to purchase or sell the same securities for several clients at approximately the same time. LOWAG may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among LOWAG's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. LOWAG shall not receive any additional compensation or remuneration as a result of such aggregation.

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

- A. For those clients to whom LOWAG provides investment supervisory services, account reviews are conducted on an ongoing basis by LOWAG's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise LOWAG of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with LOWAG on an annual basis.

- B. The Firm *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. LOWAG may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, LOWAG may receive an economic benefit from *Raymond James*. LOWAG, without cost (and/or at a discount), may receive support services and/or products from *Raymond James* and/or *Interactive Brokers*.

The Firm's clients do not pay more for investment transactions effected and/or assets maintained at *Raymond James* and/or *Interactive Brokers* as a result of this arrangement. There is no corresponding commitment made by LOWAG to *Raymond James* and/or *Interactive Brokers* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**The Firm's Chief Compliance Officer, Jonathan Solo remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. If a client is introduced to LOWAG by either an unaffiliated or an affiliated solicitor, LOWAG *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from LOWAG's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to LOWAG by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of LOWAG's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between LOWAG and the solicitor, including the compensation to be received by the solicitor from LOWAG.

## Item 15      Custody

The Firm shall have the ability to have its advisory fee for each client debited by the custodian. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. LOWAG may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that LOWAG provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by LOWAG with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of LOWAG's advisory fee calculation.

Jonathan Solo through the advice he provides to clients of LOWAG and his position as General partner of a pooled investment vehicle is in custody of client assets. LOWAG must follow the Rules of custody and will have audited financial statements provided to clients of the pooled investment vehicle.

## Item 16      Investment Discretion

The client can determine to engage LOWAG to provide investment advisory services on a discretionary basis. Prior to LOWAG assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming LOWAG as the client's attorney and agent in fact, granting LOWAG full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage LOWAG on a discretionary basis may, at anytime, impose restrictions, **in writing**, on LOWAG's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe LOWAG's use of margin, etc.).

## Item 17      Voting Client Securities

- A. The Firm does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities 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.

- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact LOWAG to discuss any questions they may have with a particular solicitation.

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

- A. The Firm does not solicit fees of more than \$500, per client, six months or more in advance.
- B. The Firm is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Firm has not been the subject of a bankruptcy petition.

#### **Item 19 Requirements for State-Registered Advisers**

Jonathan Solo is an officer of Live Oak Wealth Advisory Group, LLC. For more information about the above individuals, please see their respective Brochure Supplements.

The Firm is not engaged in any other business than as set forth in this Brochure. As previously disclosed, Firm charges performance-based fees. Clients should be aware that performance-based fee arrangement may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

Accordingly, please refer to Item 5 ("Fees and Compensation") and Item 6 ("Performance-Based Fees"), for detailed information about our firm's practices regarding the use of performance-based fees.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted.

Our firm and our management personnel have no reportable disciplinary events to disclose.

LOWAG has a material relationship with an issuer of securities and discloses that relationship in Items 10.C and 15.