

# FORM ADV PART 2A DISCLOSURE BROCHURE



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This brochure provides information about the qualifications and business practices of Peak Financial Consulting, Inc. Being registered as an investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 952-303-8200. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Peak Financial Consulting, Inc. (CRD #291860) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

This update is in accordance with the required annual update for Investment Advisors. Since the last filing of this brochure on February 25, 2021 the following has been updated:

- Item 4 to update the assets under management for the firm.
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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

## Item 3: Table of Contents

### Form ADV – Part 2A – Firm Brochure

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## Item 4: Advisory Business

### Firm Description

Peak Financial Consulting, Inc. ("Peak") is a Minnesota state registered investment adviser with its principal place of business located in Bloomington, MN. Our firm is organized as a subchapter S-Corporation under the laws of the State of Minnesota. Peak was founded in 2006 and registered as an investment adviser in 2018. In 2019, Donald W. Droegemueller took over as the firm's President and Chief Compliance Officer, he is the sole owner of Peak Financial Consulting.

Under CCR Section 260.238(k), Peak, its representatives or any of its employees will disclose to Clients, all material conflicts of interest.

### Types of Advisory Services

#### ASSET MANAGEMENT

Peak offers discretionary asset management services to advisory Clients. Peak will offer Clients ongoing asset management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors. The Client will authorize Peak discretionary authority to execute recommended investment transactions as stated within the Investment Advisory Agreement.

#### FINANCIAL PLANNING

Peak offers three levels of financial planning services to meet the needs of our Clients. These levels can be broken down into *Simple*, *Moderate* and *Complex* financial planning. Specific service offerings and providers are more fully described in the chart that follows.

**Peak Financial Consulting**  
**Financial Planning Pricing Matrix**

Simple Planning	Moderate Planning	Complex Planning
<ol style="list-style-type: none"><li>1. Cash Flow</li><li>2. Net Worth</li><li>3. Employee Benefits Review - Includes 401(k)</li><li>4. Insurance Analysis<ul style="list-style-type: none"><li>- Life Insurance</li><li>- Health Insurance</li><li>- Property Insurance</li></ul></li></ol> <p>And two of the following -</p> <ul style="list-style-type: none"><li>▪ Retirement Income</li><li>▪ Asset Accumulation</li><li>▪ Child(ren)'s Educational Funding</li><li>▪ Home Purchase Analysis</li><li>▪ Tax Planning Strategies</li></ul>	<ol style="list-style-type: none"><li>1. Cash Flow</li><li>2. Net Worth</li><li>3. Retirement Planning</li><li>4. Child(ren)'s Educational Funding</li><li>5. Employee Benefits Review<ul style="list-style-type: none"><li>- 401(k)</li><li>- Deferred Comp.</li><li>- Stock Options / Grants</li><li>- Defined Benefit Pensions</li></ul></li><li>6. Home Purchase Analysis</li><li>7. Insurance Analysis<ul style="list-style-type: none"><li>- Life Insurance</li><li>- Health Insurance</li><li>- Property Insurance</li></ul></li><li>8. Tax Planning Strategies</li></ol>	<ol style="list-style-type: none"><li>1. Cash Flow</li><li>2. Net Worth</li><li>3. Retirement Planning</li><li>4. Child(ren)'s Educational Funding</li><li>5. Employee Benefits Review<ul style="list-style-type: none"><li>- 401(k)</li><li>- Deferred Comp.</li><li>- Stock Options / Grants</li><li>- Defined Benefit Pensions</li></ul></li><li>6. Home Purchase Analysis</li><li>7. Insurance Analysis<ul style="list-style-type: none"><li>- Life Insurance</li><li>- Health Insurance</li><li>- Property Insurance</li></ul></li><li>8. Tax Planning Strategies</li><li>9. Estate Planning</li><li>10. Charitable Contributions</li><li>11. Real Estate Investment Planning</li><li>12. Business Owner Planning</li></ol>

<b>Additional Services</b> <ul style="list-style-type: none"> <li>▪ Full Annual Planning Review*</li> <li>▪ General Account Questions</li> <li>▪ Available to Friends and Family</li> </ul>	<b>Additional Services</b> <ul style="list-style-type: none"> <li>▪ Full Annual Planning Review*</li> <li>▪ Mid-Year Review</li> <li>▪ Cooperation with Outside Professionals (CPA, Attorneys, etc.)</li> <li>▪ Available to Friends and Family</li> </ul>	<b>Additional Services</b> <ul style="list-style-type: none"> <li>▪ Full Annual Planning Review*</li> <li>▪ Quarterly-Year Review</li> <li>▪ Substantial Cooperation with Outside Professionals (CPA, Attorneys, etc.)</li> <li>▪ Available to Friends and Family</li> </ul>
<b>Most Appropriate for Clients Who Have:</b> <ul style="list-style-type: none"> <li>▪ Income of \$50k to \$150k or</li> <li>▪ Investable assets less than \$400k</li> </ul>	<b>Most Appropriate for Clients Who Have:</b> <ul style="list-style-type: none"> <li>▪ Income of \$150k to \$400k or</li> <li>▪ Investable assets of \$400k to \$1M</li> </ul>	<b>Most Appropriate for Clients Who Have:</b> <ul style="list-style-type: none"> <li>▪ Income of \$400k+ or</li> <li>▪ Investable assets of \$1M+</li> </ul>

\*A Full Annual Planning Review is an optional service. Additional costs may apply as described in Item 5 below.

A conflict of interest exists when Peak provides financial planning services because it has an incentive to recommend that the Client engage Peak for portfolio management services and thus derive additional revenue. Such recommendation will always be in the client's best interest when made. Client always has the right to decide whether to act upon Peak's recommendation. If the Client elects to act on any of the recommendations, the Client always has the right to effect the transaction through the professional of their choice. Financial plans will be completed and delivered inside of one-hundred and eighty (180) days contingent upon timely Client delivery of all required documentation. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned prepaid fees will be refunded to the Client, or any unpaid earned fees will be due to Peak. Under CCR Section 260.235.2, it requires that the conflict of interest, which exists between the interests of the investment advisor and the interests of the client when offering financial planning services, be disclosed.

#### **SEMINARS AND WORKSHOPS**

Peak holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given.

#### **Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each Client are documented in our Client files. Investment strategies are created that reflect the stated goals and objectives. Clients may impose restrictions on investing in certain securities or types of securities by providing Peak with their written notification of any investing restrictions.

Agreements may not be assigned without prior written Client consent.

#### **Wrap Fee Programs**

Peak does not sponsor any wrap fee programs.

#### **Client Assets under Management**

As of December 31, 2021, Peak had \$85,031,000 in discretionary client assets under management and \$0 in non-discretionary assets under management.

## Item 5: Fees and Compensation

### Method of Compensation and Fee Schedule

#### ASSET MANAGEMENT

Peak offers discretionary direct asset management services to advisory Clients. Pursuant to CCR Section 260.238(j), lower fees for comparable services may be available from other sources. Total fees to Client will never exceed the safe harbor threshold of 3% of assets under management per year. Peak charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Annual Fee	Quarterly Fee
Up to \$1,000,000	1.20%	0.3000%
\$1,000,001 to \$2,000,000	0.95%	0.2375%
\$2,000,001 to \$3,500,000	0.85%	0.2125%
Over \$3,500,001	0.75%	0.1875%

This is a tiered or breakpoint fee schedule, the entire portfolio is charged the same asset management fee. For example, a Client with \$1,500,000 under management would pay \$14,250 on an annual basis.  $\$1,500,000 \times 0.95\% = \$14,250$ .

The annual fee may be negotiable based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

Fees are billed quarterly in advance based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Initial fees for partial quarters are pro-rated. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. Clients may terminate advisory services with thirty (30) days written notice. For accounts closed mid-billing period, any unearned fees will be refunded to the Client. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

For fees that are directly deducted from the account by the custodian:

- Peak will provide the Client with an invoice concurrent to instructing the custodian to deduct the fee stating the amount of the fee, the formula used to calculate the fee, the amount of assets under management the fee is based on and the time period covered by the fee;
- Peak will obtain written authorization signed by the Client allowing the fees to be deducted; and
- The Client will receive quarterly statements directly from the custodian which disclose the fees deducted.



## FINANCIAL PLANNING

Peak charges a fixed fee for financial planning. Prior to the planning process the Client will be provided an estimated plan fee. Planning fees will be based upon the plan selected in accordance with the fee chart below.

Simple Planning Fee:	Moderate Planning Fee:	Complex Planning Fee:
Initial year of services: \$1,000 to \$2,000 Initial Fee	\$2,001 to \$6,000 Initial Fee	\$6,001 to \$12,000 Initial Fee
Optional annual fee for ongoing services: \$400 for Annual Renewal	25% of Initial Fee for Annual Renewal	25% of Initial Fee for Annual Renewal

Fees for initial financial plans are billed 25% in advance with the balance due upon plan delivery.

A Full Annual Planning Review is an optional ongoing service. Additional costs are as noted above. Fees are billed on the annual anniversary date based upon the date a Client executes the Financial Planning Agreement. If Client chooses not to update annually, then they are charged a new planning fee when they require an update.

Initial plans are completed and delivered inside of one-hundred and eighty (180) days. If Client does not elect ongoing services, services will terminate after one year of assistance. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to Peak.

## SEMINARS AND WORKSHOPS

Peak does not charge a fee for attendance to these seminars.

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### **Client Payment of Fees**

Fees for asset management services are deducted from a designated Client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account.

Fees for financial plans will be billed to the Client and paid directly to Peak.

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### **Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include mutual fund transaction fees and commissions postage and handling and miscellaneous fees. Additionally, internal fees for fund management and distribution.

For more details on the brokerage practices, see Item 12 of this brochure.

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### **Prepayment of Client Fees**

Investment management fees are billed quarterly in advance. Client may cancel within five (5) business days of signing Agreement with no obligation and without penalty. If the Client cancels after five (5) business days, any unearned prepaid fees will be refunded to the Client, or any unpaid earned fees will be due to Peak.

Fees for financial plans are billed 25% in advance with the balance due upon plan delivery. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client, or any unpaid earned fees will be due to Peak.

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

Investment Advisor Representatives of Peak receive external compensation for the sale of securities to clients as a registered representative of Mutual Securities, Inc., a broker-dealer and for the sale of insurance products and services. Approximately 10% of their time is spent as a registered representative of Mutual Securities, Inc. less than 5% of their time is spent as insurance agents. Less than 15% of their total revenue is generated as a registered representatives and insurance agents. They will offer clients products from this activity.

This represents a conflict of interest because it gives an incentive to recommend products based on the commission received. As a registered representative or insurance agent, they do not charge advisory fees for the services offered through Mutual Securities, Inc. or as independent insurance agents. This conflict is mitigated by disclosures, procedures, and the firm's fiduciary obligation to place the best interest of the Client first and Clients are not required to purchase any products or services. Clients have the option to purchase these products through another registered representative or insurance agent of their choosing.

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

#### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Peak does not use a performance-based fee structure because of the conflict of interest. Performance based compensation may create an incentive for Peak to recommend an investment that may carry a higher degree of risk to the Client.

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### **Item 7: Types of Clients**

#### **Description**

Peak generally provides investment advice to individuals and high net worth individuals.

Client relationships vary in scope and length of service.

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#### **Account Minimums**

Peak requires a minimum of \$250,000 to open an account. In certain instances, the minimum account size may be lowered or waived.

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

#### **Methods of Analysis**

Security analysis methods may include fundamental analysis, technical analysis, charting, and cyclical analysis. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

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

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always

follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are twofold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

In developing a financial plan for a Client, Peak's analysis may include cash flow analysis, investment planning, risk management, tax planning and estate planning. Based on the information gathered, a detailed strategy is tailored to the Client's specific situation.

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

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### **Investment Strategy**

The investment strategy for a specific Client is based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time by notifying the firm in writing. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, trading, and option writing (including covered calls and protective or hedging puts).

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### **Security Specific Material Risks**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with Peak:

- *Market Risk:* The prices of securities held by mutual funds in which Clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments 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.
- *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.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the Client's portfolio may suffer.
- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the Client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.
- *Fixed Income Risk:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- *Investment Companies Risk:* When a Client invests in open end mutual funds or ETFs, the Client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which Client invests.
- *Foreign Securities Risk:* Funds in which Clients invest may invest in foreign securities. Foreign securities are subject to additional risks not typically associated with investments in domestic securities. These risks may include, among others, currency risk, country risks (political, diplomatic, regional conflicts, terrorism, war, social and economic instability, currency devaluations and policies that have the effect of limiting or restricting foreign investment or the movement of assets), different trading practices, less government supervision, less publicly available information, limited trading markets and greater volatility. To the extent that underlying funds invest in issuers located in emerging markets, the risk may be heightened by political changes, changes in taxation, or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.

- *Long-term purchases:* Long-term investments are those vehicles purchased with the intention of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.
- *Options Trading:* The risks involved with trading options are that they are very time sensitive investments. An options contract is generally a few months. The buyer of an option could lose his or her entire investment even with a correct prediction about the direction and magnitude of a particular price change if the price change does not occur in the relevant time period (i.e., before the option expires). Additionally, options are less tangible than some other investments. An option is a “book-entry” only investment without a paper certificate of ownership. When participating in covered calls there is a risk of missing out on stock appreciation if the price of the underlying stock increases. Additionally the stockholder could have less flexibility to sell the underlying stock if the price decreases. When utilizing protective or hedging puts, the potential gains from owning the security may be reduced.
- *Leveraged Risk:* The risks involved with using leverage may include compounding of returns (this works both ways – positive and negative), possible reset periods, volatility, use of derivatives, active trading and high expenses.

## **Item 9: Disciplinary Information**

### **Criminal or Civil Actions**

Peak and its management have not been involved in any criminal or civil action.

### **Administrative Enforcement Proceedings**

Peak and its management have not been involved in administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

Peak and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of Peak or the integrity of its management.

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

### **Broker-Dealer or Representative Registration**

Representatives of Peak are currently registered representatives of Mutual Securities, Inc.; a registered broker-dealer.

### **Futures or Commodity Registration**

Neither Peak nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Investment Advisor Representatives of Peak are also licensed insurance agents and registered representatives with Mutual Securities, Inc.; a broker-dealer. Approximately 10%

of their time is spent as registered representatives of Mutual Securities, Inc. and less than 5% of their time is spent as insurance agents. From time to time, they will offer clients services from those activities.

This represents a conflict of interest because it gives an incentive to recommend products and services based on the commission and/or fee amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products or services through another insurance agent or registered representative of their choosing.

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**Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

Peak does not select or recommend other investment advisors.

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

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**Code of Ethics Description**

The affiliated persons (affiliated persons include affiliated persons and/or independent contractors) of Peak have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of Peak affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of Peak. The Code reflects Peak and its supervised persons' responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

Peak's policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of Peak may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

Peak's Code is based on the guiding principle that the interests of the Client are our top priority. Peak officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client's interests over the interests of either affiliated persons or the company.

The Code applies to "access" persons. "Access" persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

Peak will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

Peak and its affiliated persons do not recommend to Clients securities in which we have a material financial interest.

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**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

Peak and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide Peak with copies of their brokerage statements.

The Chief Compliance Officer of Peak is Donald Droegemueller. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of Peak are not disadvantaged by associated persons' transactions.

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**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Peak does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide Peak with copies of their brokerage statements.

The Chief Compliance Officer of Peak is Donald Droegemueller. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of Peak are not disadvantaged by associated persons' transactions.

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**Item 12: Brokerage Practices**

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**Factors Used to Select Broker-Dealers for Client Transactions**

Peak requires the use of a particular custodian such as TD Ameritrade Institutional is a Division of TD Ameritrade, Inc., Member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered custodian and FINRA member. Peak requires TD Ameritrade based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. Peak relies on TD Ameritrade to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by Peak.

Peak participates in the TD Ameritrade Institutional program. TD Ameritrade is an independent SEC-registered custodian and is not affiliated with Peak. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Peak receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Item 14)

- *Directed Brokerage*  
Peak does not allow directed brokerage accounts.
- *Best Execution*  
Investment advisors who manage or supervise Client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios,

the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the custodian, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

- ***Soft Dollar Arrangements***

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by Peak from or through a custodian in exchange for directing Client transactions to the custodian. As permitted by Section 28(e) of the Securities Exchange Act of 1934, Peak receives economic benefits as a result of Peak receives some benefits from TD Ameritrade through its participation in the program. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists because Peak receives soft dollar benefits. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to act in the best interest of its Clients and the services received are beneficial to all Clients.

Peak utilizes the services of custodial broker dealers. Economic benefits are received by Peak which would not be received if Peak did not give investment advice to Clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to Peak's accounts, ability to conduct "block" Client trades, electronic download of trades, balances and positions, duplicate and batched Client statements, and the ability to have advisory fees directly deducted from Client accounts.

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**Aggregating Securities Transactions for Client Accounts**

Peak is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of Peak. All Clients participating in the aggregated order shall receive an average share price.

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

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**Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed quarterly by Donald Droegemueller, Chief Compliance Officer of Peak. Account reviews are performed more frequently when market conditions dictate. Financial plans generated are updated as requested by the Client and pursuant to a new or amended agreement. Peak suggests updating at least annually.

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**Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of Clients' financial plan are changes in the tax laws, new investment information, and changes in a Client's personal situation (i.e. employment, marital status, inheritance, birth of a new child, etc.)

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**Content of Client Provided Reports and Frequency**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by Peak's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs. Performance reports will be provided by Peak at least quarterly to Clients with assets under management, exclusive of Assets Held Away.



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

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### **Economic benefits provided to the Advisory Firm from External Sources and Conflicts of Interest**

As disclosed under Item 12 above, Peak participates in TD Ameritrade's institutional customer program and Peak may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Peak's participation in the program and the investment advice it gives to its Clients, although Peak receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Peak participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Peak by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by Peak's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Peak but may not benefit its Client accounts. These products or services may assist Peak in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Peak manage and further develop its business enterprise. The benefits received by Peak or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to Clients, Peak endeavors at all times to act in the Clients best interest. Clients should be aware, however, that the receipt of economic benefits by Peak or its related persons in and of itself creates a conflict of interest and may indirectly influence the Peak's choice of TD Ameritrade for custody and brokerage services.

### **Advisory Firm Payments for Client Referrals**

Other than the soft dollar benefits described above in Item 12, Peak does not receive compensation for Client referrals. Peak does not compensate any third party for Client referrals.

## **Item 15: Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by Peak. Please see Item 5 for more information regarding direct deduction of fees from client accounts.

Peak is deemed to have constructive custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of Peak. Pursuant to CCR Section 260.237(b)(3)

- A. The investment adviser has custody of the funds and securities solely as a consequence of its authority to make withdrawals from client accounts to pay its advisory fee.

- B. The investment adviser has written authorization from the client to deduct advisory fees from the account held with the qualified custodian.
- C. Each time a fee is directly deducted from a Client account, the investment adviser concurrently:
  - i. Sends the qualified custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and
  - ii. Sends the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the value of the assets under management on which the fee is based, and the time period covered by the fee.
- D. The investment adviser notifies the Commissioner in writing that the investment adviser intends to use the safeguards provided in this paragraph (b)(3). Such notification is required to be given on Form ADV.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

Peak requires discretionary authority to manage securities accounts on behalf of Clients. Peak has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The Client will authorize Peak discretionary authority to execute recommended investment transactions as stated within the Investment Advisory Agreement.

Peak allows Clients to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to Peak in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. Peak does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

## **Item 17: Voting Client Securities**

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### **Proxy Votes**

Peak does not vote proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, Peak may provide recommendations to the Client. If a conflict of interest exists, it will be disclosed.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided because Peak does not serve as a custodian for Client funds or securities and Peak does not require prepayment of fees of more than \$500 per Client and six months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

Peak received a \$ 51,373.00 loan under the paycheck protection program on April 3, 2020 due to the economic uncertainties caused by the COVID-19 pandemic.

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**Bankruptcy Petitions during the Past Ten Years**

Neither Peak nor its management has had any bankruptcy petitions in the last ten years.

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**Item 19: Requirements for State Registered Advisors**

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**Principal Executive Officers and Management Persons**

The education and business background for Donald Droegemueller and Ford Droegemueller can be found in the Part 2Bs of this Brochure.

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**Outside Business Activities**

The outside business activities for Donald Droegemueller and Ford Droegemueller can be found in the Part 2Bs of this Brochure.

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**Performance Based Fee Description**

Peak does not receive any performance based fees.

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**Disclosure of Material Facts Related to Arbitration or Disciplinary Actions Involving Management Persons**

1. Neither Peak nor its management have been involved in an arbitration claim alleging damages in excess of \$2,500 involving any of the following:
  - a) An investment or an investment-related business or activity;
  - b) Fraud, false statement(s) or omissions;
  - c) Theft, embezzlement or other wrongful taking of property;
  - d) Bribery, forgery, counterfeiting, or extortion;
  - e) Dishonest, unfair or unethical practices.
2. Neither Peak nor its management have been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - a) An investment or an investment-related business or activity;
  - b) Fraud, false statement(s) or omissions;
  - c) Theft, embezzlement or other wrongful taking of property;
  - d) Bribery, forgery, counterfeiting, or extortion;
  - e) Dishonest, unfair or unethical practices.

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**Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities**

There are no material relationships with issuers of securities to disclose.

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**Material Conflicts of Interest Assurance**

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

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## SUPERVISED PERSON BROCHURE

FORM ADV PART 2B

Donald W. Droegemueller, CFP®



**Office Address:**

1650 W. 82<sup>nd</sup> Street, Suite 870  
Bloomington, MN 55431

Tel: 952-303-8200  
Fax: 952-303-8209

[donald.droegemueller@peakfinancialconsulting.com](mailto:donald.droegemueller@peakfinancialconsulting.com)

[www.PeakFinancialConsulting.com](http://www.PeakFinancialConsulting.com)

Effective: January 28<sup>th</sup>, 2022

This brochure supplement provides information about Donald W. Droegemueller and supplements the Peak Financial Consulting, Inc.'s brochure. You should have received a copy of that brochure. Please contact Donald W. Droegemueller if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Donald W. Droegemueller (CRD #5420529) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Brochure Supplement (Part 2B of Form ADV)

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**Donald W. Droegemueller**

- Year of birth: 1975
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### Item 2 - Educational Background and Business Experience

Educational Background:

- Arizona State University; Master of Music; 2001
- Concordia College; Bachelor of Music - Music Education; 1997

Business Experience:

- Peak Financial Consulting, Inc.; Owner/Chief Compliance Officer; 06/2019-Present
  - Mutual Securities, Inc.; Registered Representative, 05/2018 - Present
  - Peak Financial Consulting, Inc.; Investment Advisor Representative; 03/2018-Present
  - Donald Droegemueller, Sole Proprietor; Insurance Agent; 12/2007-Present
  - LPL Financial LLC; Registered Representative; 08/2008-04/2018
  - LPL Financial LLC; Investment Advisor Representative; 02/2016-04/2018
  - LPL Insurance Associates; Insurance Agent; 12/2007-04/2018
  - Central Minnesota Music School.; Music Teacher ; 01/2007-12/2008
  - Ford Droegemueller; Administrative Associate; 09/2007-05/2008
  - Self-employed; Private Music Instructor; 12/2006-12/2007
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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with Clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and Client scenarios designed to test one’s ability to correctly diagnose financial

planning issues and apply one's knowledge of financial planning to real world circumstances;

- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

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### **Item 3 - Disciplinary Information**

*Criminal or Civil Action:* None to report.

*Administrative Proceeding:* None to report.

*Self-Regulatory Proceeding:* None to report.

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### **Item 4 - Other Business Activities Engaged In**

President Donald W. Droegemueller is also a licensed insurance agent and a registered representative with Mutual Securities, Inc. Approximately 10% of his time is spent as a registered representative of Mutual Securities, Inc. and less than 5% of his time is spent as an insurance agent. From time to time, he will offer clients services from these activities. As an insurance agent and registered representative, he may receive separate yet typical compensation.

These practices represent conflicts of interest because it gives him an incentive to recommend products based on the commission and/or fee amount received. This conflict is mitigated by disclosures, procedures, and the firm's Fiduciary obligation to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products and services through another insurance agent or registered representative.

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### **Item 5 - Additional Compensation**

Donald W. Droegemueller receives commissions on the insurance and securities products he sells. He does not receive any performance based fees. He does not receive any additional compensation for performing advisory services other than what is disclosed in Item 5 of Part 2A.

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### **Item 6 - Supervision**

Donald Droegemueller is owner and Chief Compliance Officer of Peak. He is responsible for all supervision and formulation and monitoring of investment advice offered to Clients. He will adhere to the policies and procedures as described in Peak's Compliance Manual. He can be reached at 952-303-8200 or [donald.droegemueller@peakfinancialconsulting.com](mailto:donald.droegemueller@peakfinancialconsulting.com)

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**Item 7 - Requirements for State-Registered Advisors**

*Arbitration Claims:* None to report.

*Self-Regulatory Organization or Administrative Proceeding:* None to report.

*Bankruptcy Petition:* None to report.

# SUPERVISED PERSON BROCHURE

FORM ADV PART 2B

Ford C. Droegemueller, CFP®



**Office Address:**

1650 W. 82<sup>nd</sup> Street, Suite 870  
Bloomington, MN 55431

Tel: 952-303-8200  
Fax: 952-303-8209

[ford.droegemueller@peakfinancialconsulting.com](mailto:ford.droegemueller@peakfinancialconsulting.com)

[www.PeakFinancialConsulting.com](http://www.PeakFinancialConsulting.com)

Effective: DRAFT

This brochure supplement provides information about Ford C. Droegemueller and supplements the Peak Financial Consulting, Inc.'s brochure. You should have received a copy of that brochure. Please contact Ford C. Droegemueller if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Ford C. Droegemueller (CRD #2117678) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Brochure Supplement (Part 2B of Form ADV)

### Supervised Person Brochure

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**Ford C. Droegemueller**

- Year of birth: 1949
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#### Item 2 - Educational Background and Business Experience

##### Educational Background:

- University of St. Thomas; MBA - Business; 1987
- US Military Academy at West Point, New York; Bachelor of Science - Engineering; 1971

##### Business Experience:

- Mutual Securities, Inc.; Registered Representative; 05/2018 -Present
  - Peak Financial Consulting, Inc.; Investment Advisor Representative; 03/2018-Present
  - Ford Droegemueller, Sole Proprietor; 06/2006-Present
  - LPL Financial LLC; Registered Representative/Investment Advisor Representative; 06/2006-04/2018
  - LPL Insurance Associates; Insurance Agent; 06/2006-04/2018
- 

#### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with Clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and Client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

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**Item 3 - Disciplinary Information**

*Criminal or Civil Action:* None to report.

*Administrative Proceeding:* None to report.

*Self-Regulatory Proceeding:* None to report.

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**Item 4 - Other Business Activities Engaged In**

Ford C. Droegemueller is also a licensed insurance agent and a registered representative with Mutual Securities, Inc. Approximately 10% of his time is spent as a registered representative of Mutual Securities, Inc. and less than 5% of his time is spent as an insurance agent. From time to time, he will offer clients services from these activities. As an insurance agent and registered representative, he may receive separate yet typical compensation.

These practices represent conflicts of interest because it gives him an incentive to recommend products based on the commission and/or fee amount received. This conflict is mitigated by disclosures, procedures, and the firm’s Fiduciary obligation to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products and services through another insurance agent or registered representative.

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**Item 5 - Additional Compensation**

Ford C. Droegemueller receives commissions on the insurance and securities he sells. He does not receive any performance based fees. He does not receive any additional compensation for performing advisory services other than what is disclosed in Item 5 of Part 2A.

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**Item 6 - Supervision**

Ford C. Droegemueller is supervised by Donald Droegemueller, Chief Compliance Officer of Peak. He reviews Ford’s work through Client account reviews and quarterly personal transaction reports, as well as face-to-face and phone interactions. Donald Droegemueller can be reached at 952-303-8200 or donald.droegemueller@peakfinancialconsulting.com.

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**Item 7 - Requirements for State-Registered Advisors**

*Arbitration Claims:* None to report.

*Self-Regulatory Organization or Administrative Proceeding:* None to report.

*Bankruptcy Petition:* None to report.