

**Part 2A of Form ADV: *Firm Brochure***

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January 12, 2021

This brochure provides information about the qualifications and business practices of Stronghold Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at 813-775-7099 or [ralley@strwealth.com](mailto:ralley@strwealth.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. Registration does not imply any special skill or training.

Additional information about Stronghold Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 161194.

## **Item 2 Material Changes**

This Firm Brochure, dated January 12, 2021 provides you with a summary of Stronghold Wealth Management, LLC's services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows:

- **Annual Update:** We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
- **Material Changes:** Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

There have been no material updates since our last issued Firm Brochure, dated May 26, 2020.

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## **Item 4 Advisory Business**

Stronghold Wealth Management, LLC. is a state-registered investment adviser with its principal place of business located in Florida. Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Keith Downey
- Richard Alley

Stronghold Wealth Management offers the following advisory services to our clients:

### **PORTFOLIO MANAGEMENT**

Our firm provides discretionary portfolio management to clients regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a client portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. We do not limit our advice to any particular investments or investment strategies.

### **Investnet**

Investnet Asset Management, Inc. (Investnet) is an investment management company based in Chicago, Illinois. Investnet's platform provides Stronghold's clients with access to portfolio management services through independent investment advisers as well as institutional clients such as pension or profit-sharing plans, trusts, estates, and corporations. Investnet provides our firm with an extensive range of services through its Private Wealth Management programs, including Separately Managed Accounts, Mutual Fund Solutions, ETF Solutions, Unified Managed Account, Multi-Manager Account, Manager Blends, ETF Portfolios, Enhanced Portfolio Strategies and PMC Ultra Short-Term Fixed Income Portfolio (each a "Program" and collectively "Programs").

Investnet reviews the investment strategies and performance of a wide range of sub-managers and model providers then selects and monitors the approved sub-managers that make investment decisions. Investnet evaluates managers specializing in each of the asset categories listed, including equities (both domestic and foreign); corporate debt; commercial paper; certificates of deposit; municipal securities; mutual funds; real estate investment trusts; government securities; options; and futures. Depending upon the model or strategy chosen by the client, a portfolio may typically hold between 5 and 250 securities.

### **Selection of Other Advisors**

In addition to Investnet, Stronghold may refer clients to other Advisors. Stronghold will

retain discretionary authority to terminate the client's relationship with the other adviser. All selected advisors will be appropriately registered.

### **Stronghold Investment Portfolio Service**

Stronghold clients have the option of participating in our firm's Wrap Fee Program, which has been designed to simplify the payment of management fees and brokerage expenses. Under this program, Stronghold pays the transaction/execution costs associated with securities trading in client accounts managed by Stronghold. This program poses a significant conflict of interest for Stronghold since it presents a disincentive for our firm to trade securities in the client account.

Please see Part 2A Appendix 1 of our Form ADV (the "Wrap Fee Program Brochure") for more information.

### **PENSION CONSULTING**

Stronghold Wealth Management works with the Third Party Administrator and the Retirement Plans (RP) to review the investment options available to the RP. Stronghold will obtain quotes or proposals from plan administrators for Client to review, recommend investment options to be included in the Plan, assist in monitoring investment options in the Plan and assist in ongoing education to Plan participants as allowed by Client. Once the RP's investments are selected, the TPA will execute any transactions and clear the accounts. Stronghold, on a periodic basis, will review reports and information generated from the TPA to assist the RP Sponsor/Trustee in monitoring and evaluating the RP's investment alternatives.

### **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability and long-term care.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.

- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant and insurance agent. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically, if contracted for, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **Assets Under Management**

As of 12/31/2020, our firm managed discretionary assets totaling \$108,237,897.

## **Item 5 Fees and Compensation**

### **PORTFOLIO MANAGEMENT FEES**

The annualized fee for portfolio management services is charged as a percentage of assets under management per the below fee schedule:

<b>BILLABLE ASSETS</b>	<b>FEE PERCENTAGE</b>
<b>\$15,000,000 AND UP</b>	<b>0.25% - .55%</b>
<b>\$10,000,000 - \$14,999,999</b>	<b>0.60%</b>
<b>\$8,000,000 - \$9,999,999</b>	<b>0.70%</b>
<b>\$6,000,000 - \$7,999,999</b>	<b>0.75%</b>
<b>\$3,000,000 - \$5,999,999</b>	<b>0.80%</b>
<b>\$1,000,000 - \$2,999,999</b>	<b>0.90%</b>
<b>\$750,000 - \$999,999</b>	<b>1.00%</b>
<b>\$500,000 - \$749,999</b>	<b>1.15%</b>
<b>\$250,000 - \$499,000</b>	<b>1.25%</b>
<b>\$100,000 - \$249,000</b>	<b>1.35%</b>
<b>UP TO \$99,999</b>	<b>1.40% - 2.00%</b>

A minimum of \$500,000 of assets under management is typically required for this service; however, in certain circumstances this may be negotiable. These fees shall be calculated monthly and paid in advance based upon the average market value of the account over the

previous billing period. These fees and expenses shall be set forth in the client agreement and clearly explained prior to any client engaging our firm. Fees will be debited from the account in accordance with the client authorization in the client agreement. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period.

### **Investnet**

Investnet accounts are billed quarterly in advance. Schwab will provide monthly custodial statements for each client account. However, all fees charged by Investnet shall be included in Stronghold’s advisor fees. Investnet will charge a platform fee and a Third party money Manager Fee (TPMM). The fee charged by Investnet will also include the Stronghold fee. The custodian may charge a separate asset based transaction fee. All fees are disclosed in the advisory contract signed by the client with Investnet.

### **Other Advisors Fees**

Stronghold bills its fees separately or in addition to the outside advisors monthly or quarterly in advance whether the relationship is a third party money manager or sub-adviser relationship. The fees of the outside advisors are detailed in their advisory contract with the client or in the sub-adviser’s ADV Part 2.

### **Stronghold Investment Portfolio Service Fees**

Clients participating in our Wrap Fee program will pay one fee which captures the management, brokerage and administrative charges collectively. Any part of this fee that is not paid to third parties in connection with transaction and execution expenses are retained by Stronghold. All fees for the wrap program are disclosed in our wrap program brochure.

## **PENSION CONSULTING FEES**

BILLABLE ASSETS	FEE PERCENTAGE
\$20,000,001 AND UP	0.10%
\$10,000,001 - \$20,000,000	0.15%
\$5,000,001 - \$10,000,000	0.20%
\$2,000,001 - \$5,000,000	0.225%
\$250,001 TO \$2,000,000	0.250%
UP to \$250,000	\$625 Annually

Pension consulting fees are negotiated separately with each RP and outlined in a written agreement. Fees are based on the size and complexity of the Plan. Fees are paid in arrears as contracted with client. Fees are billed to the Plan or Sponsor as separately outlined in the agreement between the RP and our firm. Client will pay Advisor directly.

## FINANCIAL PLANNING FEES

Stronghold's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees can be calculated on an hourly or fixed fee basis, depending on the specific arrangement reached with the client. The hourly rate is \$250 and can be negotiated with each client based upon the complexity of the plan. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship. Our fixed fee, typically ranges from \$1,000 to \$5,000, depending on the specific arrangement reached with the client and the complexity of the Financial Plan. For clients who also engage our firm in investment management, we may elect to waive a portion of fees for the plan.

We may request a retainer upon completion of our initial fact-finding session with the client equivalent to 50% of the agreed upon fixed fee for the engagement not to exceed \$500. The balance will be due upon the completion of the initial plan engagement. Ongoing financial planning engagements will be billed semi-annually in arrears in year two and beyond until the engagement is cancelled. In no event will advance payment exceed \$500 for work that will not be completed within six months. Clients billed on an hourly basis are billed quarterly in arrears based on actual hours accrued.

## GENERAL INFORMATION

As Stronghold does not control the fees or billing methods of the independent registered investment adviser(s), clients should review that adviser's disclosure brochure(s) for specific information regarding their billing practices including any account minimum and/or minimum annual advisory fee requirements established by the independent registered investment adviser; as well as their account termination policies.

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

***Wrap Fee Programs*** In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the



broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients. The Program fees do not include expenses of mutual funds and exchange traded funds such as fund management fees charged to each fund's investors.

## **Non-Wrap Programs**

Clients participating in non-wrap programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers and platform fees in addition to custodial transaction fees.

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

Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

Stronghold does not charge performance-based fees (i.e., fees based on a share of capital gains or capital appreciation of the client's assets).

## **Item 7 Types of Clients**

Stronghold Wealth Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Corporations or other businesses not listed above

A minimum of \$500,000 of assets under management is typically required for this service; however, in certain circumstances this may be waived.

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

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Trading.** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

**Risk of Loss.** Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.

### **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

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

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

Members of management are individually licensed as insurance agents. As such, each gentleman, in this distinct capacity, is able to receive separate, yet customary commission compensation resulting from implementing insurance product transactions on behalf of advisory clients. Stronghold clients, however, are not under any obligation to engage Mr. Downey or Mr. Alley when considering implementation of insurance-related advisory recommendations. The implementation of any or all recommendations is solely at the

discretion of the client.

Stronghold Wealth Management endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address any possible conflict of interest:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Stronghold Wealth Management and individuals associated with our firm are prohibited from engaging in principal transactions. In addition, Stronghold Wealth Management and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations present conflicts of interest, Stronghold has adopted a Code of Ethics which sets forth high ethical standards of business conduct that Stronghold requires of its employees, including compliance with applicable federal securities laws.

Stronghold's Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by Stronghold's access persons. Among other things, Stronghold's Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Stronghold's Code provides for oversight, enforcement and recordkeeping provisions. A copy of Stronghold's Code of Ethics is available to Stronghold's advisory clients or prospective clients upon request to the Chief Compliance Officer at Stronghold's principal office address.

It is the expressed policy of our firm that our client's interest must always be placed first and our trading practices and procedures prohibit unfair trading practices and seek to avoid actual or potential conflicts of interest or resolve such conflicts in the client's favor. Stronghold prohibits any allocation of trades in a manner that Stronghold Wealth Management, LLC's proprietary accounts or the accounts of our affiliates receive more favorable treatment than other client accounts.

## **Item 12 Brokerage Practices**

Stronghold participates in the Schwab Advisor Services "SA" program offered to independent investment advisers by Charles Schwab & Company, Inc., a FINRA registered broker dealer. Clients in need of brokerage and custodial services will have Charles Schwab Advisor Services division of Charles Schwab & Company recommended to them. As part of the SA program, Stronghold receives benefits that it would not receive if it did not offer investment advice.

Stronghold does receive certain benefits from Charles Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC/NYSE, to maintain custody of clients' assets and to effect trades for their accounts. Charles Schwab Advisor Services provides Stronghold with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services are available to independent investment advisers at no charge to them when clients account assets are maintained at Schwab. Charles Schwab Advisor Services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

Charles Schwab Advisor Services also makes available to Stronghold other products and services that benefit our firm but may not benefit its clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Stronghold's accounts, including accounts not maintained at Charles Schwab Advisor Services.

Charles Schwab Advisor Services may also provide us with other services intended to help us manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Charles Schwab Advisor Services may make available, arrange and/or pay for these types of services to Stronghold by independent third parties. Charles Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Stronghold.

In evaluating whether to require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest since as a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Schwab's services. We examined this potential conflict of interest when we chose to enter into the relationship with Schwab and have determined that the relationship is in the best interests of Stronghold's clients. *The availability to Stronghold of the foregoing products and services is not contingent upon our firm committing to SA any specific amount of business (assets in custody or trading).*

### **Stronghold Investment Portfolio Service**

Stronghold has negotiated an arrangement with Charles Schwab Advisor Services, a division of Charles Schwab & Company, Inc., an unrelated FINRA-member broker dealer, to provide custodial and brokerage services as part of our wrap fee program. Stronghold has evaluated Charles Schwab Advisor Services and believes that it will provide Stronghold clients with a blend of execution services, commission costs and professionalism that will assist us in meeting its fiduciary obligations to clients. Stronghold's Program costs are based on its negotiated relationship with Charles Schwab Advisor Services and the designation of a broker other than Charles Schwab Advisor Services would not be consistent with our wrap fee platform. As such, Program clients are required to direct Stronghold, in writing, to custody the client's Program assets with and to place trades in the client's Program account through Charles Schwab Advisor Services. Stronghold reserves the right to decline acceptance of any client account for which the client directs the use of a broker dealer/custodian other than Charles Schwab Advisor Services who wish to utilize our wrap fee program.

Clients who choose to use custodians or who do not participate in the Program should recognize that brokerage commissions for the execution of transactions in the client's account are not negotiated by Stronghold and trades are generally executed on a trade-by-trade basis. These clients will pay a commission and other brokerage/custodial fees that clients who participate in the Program are not charged. In non-Program client accounts, best execution may not be achieved. The client should consider therefore that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if Stronghold were to negotiate commissions and seek

best price and execution of transactions for the client's account. Not all advisers require clients to direct it to use a particular broker dealer, though the sponsors of wrap fee programs typically do.

Stronghold will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows Stronghold to execute equity trades in a timelier, equitable manner and to reduce overall commission charges to clients.

Clients utilizing Envestnet's third party money manager program will initially receive Envestnet disclosure documents from Stronghold Wealth Management and subsequent updates will be delivered to clients directly from the third party manager of Envestnet.

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

#### **PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Stronghold's Portfolio Management accounts (both those that are part of the Wrap Fee Program and those that are not) are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by: Keith Downey and Richard Alley, Portfolio Managers of the firm.

**REPORTS:** In addition to statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance and balances.

#### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

Stronghold does not enter into agreements which comply with Rule 206(4)-3 and other requirements of the Investment Advisors Act providing for cash compensation to solicitors who secure clients for Stronghold.

It is Stronghold Wealth Management's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Stronghold does receive an economic benefit from Schwab in the form of the supported products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

## **Item 15 Custody**

All funds are held by the broker/dealer or custodian firm. We previously disclosed in the Fees and Compensation section (Item 5) of this brochure that our firm directly debits advisory fees from client accounts. As part of this billing process, the client’s custodian is advised of the amount of the fee to be deducted from that client’s account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

## **Item 16 Investment Discretion**

As previously disclosed in Item 4 of this brochure, our firm does provide discretionary asset management services and obtains that authorization via our investment management agreement. Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

## **Item 17 Voting Client Securities**

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

We do not offer any consulting assistance regarding proxy issues to clients.



## **Item 18            Financial Information**

Stronghold Wealth Management has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Stronghold Wealth Management has not been the subject of a bankruptcy petition at any time during the past ten years.

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

The following individuals are the principal executive officers and management persons of Stronghold Wealth Management:

- Keith Downey, Member
- Richard Alley, Member and Chief Compliance Officer

Information regarding the formal education and business background for each of these individuals is provided in their respective Brochure Supplements.

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.

As previously disclosed in "Other Financial Industry Activities and Affiliations" (Item 10), neither Stronghold Wealth Management nor our management personnel have a relationship or arrangement with any issuer of securities.