

# Tallgrass Wealth Management, Inc. Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Tallgrass Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at (605) 274-3767 or by email at: [jeremy@tallgrasswealth.com](mailto:jeremy@tallgrasswealth.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.*

*Additional information about Tallgrass Wealth Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Tallgrass Wealth Management, Inc.'s CRD number is: 305396.*

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

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## Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Tallgrass Wealth Management, Inc. on 02/21/2020 are described below. Material changes relate to Tallgrass Wealth Management, Inc.'s policies, practices or conflicts of interests.

- Tallgrass Wealth Management, Inc. has updated financial information (Item 18).

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Tallgrass Wealth Management, Inc. (hereinafter "TGWMINC") is a Corporation organized in the State of South Dakota. The firm was formed in December 2003 and began conducting advisory activities in August 2019. The principal owner is Jeremy C Tims.

### B. Types of Advisory Services

#### *Pension Consulting Services*

TGWMINC offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
  - monitoring performance of money managers and investment options and making recommendations for changes
  - recommending other service providers, such as custodians, administrators and broker-dealers
  - creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

#### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

#### *Services Limited to Specific Types of Investments*

TGWMINC generally limits its investment advice to mutual funds, fixed income securities, insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds and private placements. TGWMINC may use other securities as well to help diversify a portfolio when applicable.

### C. Client Tailored Services and Client Imposed Restrictions

TGWMINC offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client’s current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent TGWMINC from properly servicing the client account, or if the restrictions would require TGWMINC to deviate from its standard suite of services, TGWMINC reserves the right to end the relationship.

### D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. TGWMINC does not participate in wrap fee programs.

### E. Assets Under Management

TGWMINC has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0.00	\$0.00	December 2019

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Pension Consulting Services Fees*

##### **Hourly Fees**

The hourly fee for these services is between \$250 and \$500. The final fee schedule will be memorialized in the client’s advisory agreement.

#### *Financial Planning Fees*

##### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$500 and \$25,000.

## **Hourly Fees**

The negotiated hourly fee for these services is between \$50 and \$350.

## **Comprehensive Financial Planning Fees**

The annual comprehensive fee ranges between \$500 and up. These fees are charged in arrears upon completion. These fees may be divided up for payment annually or quarterly. If this Agreement is terminated prior to completion of the financial planning services, then Client will be responsible for paying the prorated fee for work completed but unpaid (if any) at the time termination becomes effective.

Clients may terminate the agreement without penalty, for full refund of TGWMINC's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### *Payment of Pension Consulting Services Fees*

Pension fees are paid via check, credit and wire.

Hourly pension consulting fees are paid in arrears upon completion.

### *Payment of Financial Planning Fees*

Financial planning fees are paid via check, credit and wire.

Fixed financial planning fees are paid in arrears upon completion.

Hourly financial planning fees are paid in arrears upon completion.

Comprehensive financial planning fees are paid in arrears upon completion.

## **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by TGWMINC. Please see Item 12 of this brochure regarding broker-dealer/custodian.

## **D. Prepayment of Fees**

TGWMINC collects its fees in arrears. It does not collect fees in advance.

## **E. Outside Compensation For the Sale of Securities to Clients**

Jeremy Charles Tims is a registered representative of a broker-dealer and an insurance agent and in these roles, accepts compensation for the sale of investment products to TGWMINC clients.

### ***1. This is a Conflict of Interest***

Supervised persons may accept compensation for the sale of investment products, including asset based sales charges or service fees from the sale of mutual funds to TGWMINC's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment products for which the supervised persons receives compensation, TGWMINC will document the conflict of interest in the client file and inform the client of the conflict of interest.

### ***2. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase TGWMINC recommended products through other brokers or agents that are not affiliated with TGWMINC.

### ***3. Commissions are not TGWMINC's primary source of compensation for advisory services***

Commissions are not TGWMINC's primary source of compensation for advisory services.

### ***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on investment products recommended to clients.

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

TGWMINC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

TGWMINC generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

There is no account minimum for any of TGWMINC's services.

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

### **A. Methods of Analysis and Investment Strategies**

#### *Methods of Analysis*

TGWMINC's methods of analysis include Fundamental analysis, Modern portfolio theory and Quantitative analysis.

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

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

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

#### *Investment Strategies*

TGWMINC uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **B. Material Risks Involved**

#### *Methods of Analysis*

**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.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

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

### *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

As a registered representative of Silver Oak Securities, Inc., Jeremy Charles Tims accepts compensation for the sale of securities.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither TGWMINC nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Jeremy Charles Tims is a registered representative of Silver Oak Securities, Inc. and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. TGWMINC always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of TGWMINC in such individual's capacity as a registered representative.

Jeremy Charles Tims is an investment adviser representative with another investment advisory firm, Silver Oak Securities, Inc., and from time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. TGWMINC always acts in the best interest of the client and clients are in no way required to use the services of any representative of TGWMINC in connection with such individual's activities outside of TGWMINC.

Jeremy Charles Tims is an owner, manager and accountant of Tallgrass Accounting, LLC. From time to time, may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. TGWMINC always acts in the best interest of the client and clients are in no way required to utilize the services of any representative of TGWMINC in connection with such individual's activities outside of TGWMINC.

Jeremy Charles Tims is an independent licensed insurance agent and provides these services via Tallgrass Wealth Management, Inc. From time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. TGWMINC always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of TGWMINC in connection with such individual's activities outside of TGWMINC.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

TGWMINC does not utilize nor select third-party investment advisers.

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

#### **A. Code of Ethics**

TGWMINC has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. TGWMINC's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

TGWMINC does not recommend that clients buy or sell any security in which a related person to TGWMINC or TGWMINC has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of TGWMINC may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of TGWMINC to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. TGWMINC will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of TGWMINC may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of TGWMINC to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, TGWMINC will never engage in trading that operates to the client's disadvantage if representatives of TGWMINC buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

TGWMINC does not recommend brokers/custodians.

### **1. *Research and Other Soft-Dollar Benefits***

TGWMINC does not trade client's accounts or recommend broker/custodians, and therefore receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

## **2. Brokerage for Client Referrals**

TGWMINC receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Clients Directing Which Broker/Dealer/Custodian to Use**

TGWMINC does not trade client's accounts or recommend broker/custodians, and therefore does not direct brokerage.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

TGWMINC does not trade client's accounts or recommend broker/custodians, and therefore does not have the ability to block trade purchases across accounts.

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

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Jeremy Tims, President. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, TGWMINC's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of TGWMINC's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

TGWMINC does not receive any economic benefit, directly or indirectly from any third party for advice rendered to TGWMINC's clients.

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

TGWMINC does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

TGWMINC does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the client's custodian. Clients will receive account statements from the custodian and should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

TGWMINC does not have discretion over client accounts at any time.

## **Item 17: Voting Client Securities (Proxy Voting)**

TGWMINC will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

TGWMINC neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

## **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

In light of the COVID-19 coronavirus and historic decline in market values, TGWMINC has elected to participate in the CARES Act's Paycheck Protection Program ("PPP") to strengthen its balance sheet. TGWMINC intends to use this loan predominantly to continue payroll for the firm and may ultimately seek loan forgiveness per the terms of the PPP. Due to this and other measures taken internally, TGWMINC has been able to operate and continue serving its clients.

## **C. Bankruptcy Petitions in Previous Ten Years**

TGWMINC has not been the subject of a bankruptcy petition in the last ten years.

# **Item 19: Requirements For State Registered Advisers**

## **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

TGWMINC currently has only one management person: Jeremy Charles Tims. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

## **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

## **C. Calculation of Performance-Based Fees and Degree of Risk to Clients**

TGWMINC does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **D. Material Disciplinary Disclosures for Management Persons of this Firm**

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.



**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

See Item 10.C and 11.B.