

# **MGO Private Wealth, LLC**

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## **Form ADV, Part 2A Brochure**

March 31, 2022

This brochure provides information about the qualifications and business practices of MGO Private Wealth, LLC (hereinafter “MGO Private Wealth” or the “Firm”). If you have any questions about the contents of this brochure, please contact us at the telephone number listed above. 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 MGO Private Wealth is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a Registered Investment Adviser. Registration does not imply any level of skill or training.

## ITEM 2 - MATERIAL CHANGES

This brochure, dated March 31, 2022, has been prepared MGO Private Wealth, LLC to meet SEC requirements. This section of the brochure will address only those “material changes” that have been incorporated since our last posting of this document on the public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

This brochure has changed materially since our last posting in the following ways:

- Item 4: Assets under management were updated.

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## ITEM 4 - ADVISORY BUSINESS

### Description of Advisory Firm

MGO Private Wealth (the “Firm”) offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to MGO Private Wealth rendering any of the foregoing services, clients are required to enter into one or more written agreements with MGO Private Wealth setting forth the relevant items and conditions of the advisory relationship (the “Advisory Agreement”).

MGO Private Wealth has been registered as an investment adviser since July 2016 and is principally owned by MGO Group, LLC and Roman, LLC. Kevin O’Connell and Roberto Roman are the principal owners, respectively, of MGO Group, LLC and Roman, LLC. As of December 31, 2021, MGO Private Wealth’s assets under management totaled \$347,334,516: \$305,303,169 in discretionary assets; and \$42,132,347 in non-discretionary assets.

While this brochure generally describes the business of MGO Private Wealth, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on MGO Private Wealth’s behalf and is subject to the Firm’s supervision or control.

### Advisory Services Offered

MGO Private Wealth offers the following services to advisory clients:

#### Financial Planning Services

MGO Private Wealth offers clients a broad range of financial planning services, which may include any or all of the following functions:

- Retirement Planning
- Education Planning
- Trust and Estate Planning
- Cash Flow Planning
- Insurance Planning
- Tax Planning
- Investment Policy Statement Planning

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, MGO Private Wealth is not required to verify any information received

from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by MGO Private Wealth under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising MGO Private Wealth's recommendations and/or services.

### Investment and Wealth Management Services

MGO Private Wealth manages client investment portfolios on a discretionary or non-discretionary basis. In addition, MGO Private Wealth may provide clients with wealth management services which may include a broad range of comprehensive financial planning services as well as discretionary and/or non-discretionary management of investment portfolios.

MGO Private Wealth primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, and independent investment managers ("Independent Managers") in accordance with their stated investment objectives. In addition, MGO Private Wealth may also recommend that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds).

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage MGO Private Wealth to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e. 529 plans). In these situations, MGO Private Wealth directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

MGO Private Wealth tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. MGO Private Wealth consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify MGO Private Wealth if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if MGO Private Wealth determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### Retirement Plan Consulting Services

MGO Private Wealth provides various consulting services to qualified employee benefit plans and their fiduciaries. The suite of institutional services is designed to assist to plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Participant Education

### Use of Independent Managers

As mentioned above, MGO Private Wealth may select certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

MGO Private Wealth evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. MGO Private Wealth also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

MGO Private Wealth continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. MGO Private Wealth seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### Sub-Advisor Relationship

One of our independent managers is Betterment Securities. For our clients' accounts that Betterment Securities maintains, Betterment Securities does not charge you separately for custody/brokerage services but is compensated as part of the Betterment for Advisors (defined below) platform fee, which is charged for a suite of platform services, including custody, brokerage, and sub-advisory services provided by Betterment and access to the Betterment for Advisors platform. The platform fee is an asset-based fee charged as a percentage of assets in your Betterment account. Clients utilizing the Betterment for Advisors platform may pay a higher aggregate fee than if the investment management, brokerage and

other platform services are purchased separately. Nonetheless, for those Clients participating in the Betterment for Advisors platform, we have determined that having Betterment Securities execute trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most financial planning services favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select brokers/custodians”).

## ITEM 5 - FEES AND COMPENSATION

MGO Private Wealth offers services on a fee basis, which may include fixed fees, as well as fees based upon assets under management.

### Fee Schedule

#### Financial Planning Services Fees

Financial planning is offered on an hourly or negotiated fixed fee basis. The payment is due upon delivery of the plan. If the client cancels within five (5) business days, no fees will be due. If a client cancels after five (5) business days, Advisor is entitled to any earned fees and will bill the client. Services are completed and delivered inside of forty-five (45) days.

These fees are negotiable, but generally range from \$1,500 to \$15,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, MGO Private Wealth may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement, and MGO Private Wealth generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1200 or more in prepaid fees more than six months in advance of services rendered. A conflict could exist between the interest of the principal of Advisor and the interest of the client. Under California Code of Regulations, 10 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. The client is under no obligation to act upon our recommendation and if the client elects to act on any of Advisor’s recommendations, the client is under no obligation to effect the transaction through Advisor.

#### Investment Management Services Fees

MGO Private Wealth offers investment management services for an annual fee based on the amount of assets under the Firm’s management. This management fee generally varies between 50 and 100 basis points (0.50% – 1.35%), depending upon the size and composition of a client’s portfolio and the type of services rendered. The Firm can be engaged to provide wealth management services where the financial planning services are included as part of the investment management fees.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by MGO Private Wealth on the last day of the previous billing period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), MGO Private Wealth may negotiate a fee rate that differs from the range set forth above.

### Retirement Plan Consulting Fees

MGO Private Wealth generally charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. These fees vary, based on the scope of the services to be rendered, and typically range between 25 and 75 basis points (0.25% – 0.75%), depending upon the services provided and the amount of assets to be managed.

### Advisory Fees for Sub-Advisory Relationships

MGO Private Wealth also provides investment management services as a sub-adviser to certain accounts held at Betterment Securities. In other words, MGO Private Wealth would engage Betterment Securities which, in turn engages us to provide portfolio management services to all or part of such investor's portfolio. In this situation, MGO Private Wealth will typically receive a fee charged as a percentage of assets sub-advised by Betterment Securities. Such fees are generally charged by directly debiting the end-investor's custodial accounts although this may vary by agreement. Clients should contact their custodian for more information relating to the deduction of fees from their accounts.

For sub-advised accounts, MGO Private Wealth accommodates both advance and arrears billing. Billing "in advance" or "in arrears" is based on the portfolio value as of the last business day of the previous calendar quarter. The fee is calculated by multiplying the portfolio value by the contracted rate. Typically, the fee is one quarter of the annual fee, but for new accounts, days are subtracted for billing in arrears or one time added for billing in advance to reflect the proper number of days managed. Frequency and timing of billing is determined by the applicable sub-advisory agreement.

### Fee Discretion

MGO Private Wealth may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

### Additional Fees and Expenses

In addition to the advisory fees paid to MGO Private Wealth, clients may also incur certain charges



imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

### Direct Fee Debit

Clients generally provide MGO Private Wealth and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to MGO Private Wealth.

### Use of Margin

MGO Private Wealth may be authorized to use margin in the management of the client’s investment portfolio. In these cases the fee payable will be assessed net of margin such that the market value of the client’s account and corresponding fee payable by the client to MGO Private Wealth will not be increased.

### Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to MGO Private Wealth’s right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients may withdraw account assets on notice to MGO Private Wealth, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. MGO Private Wealth may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

## **ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

On a limited basis MGO Private Wealth charges performance based fees (i.e., a fee based on a share of capital gains or capital appreciation of a client’s assets). This performance based fee payment option is available only to Clients who meet the definition of a “Qualified Client” by being a natural person having a net worth, together with assets held jointly with a spouse, of more than \$2.2 million at the time this account is opened or for whom, after opening this account, total assets under management will exceed \$1.1 million.

Performance based fees create a conflict of interest as there is an incentive for the Advisor to take

higher levels of risk involving Client's investments in hopes of better than average performance. Performance based fees may also result in higher fees than a typical asset based fee and Advisor may receive a higher level of compensation than is typical of an asset based fee.

## **ITEM 7 - TYPES OF CLIENTS**

MGO Private Wealth offers services to individuals (including high net worth individuals), pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### **Minimum Account Requirements**

MGO Private Wealth does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain Independent Managers may, however, impose more restrictive account requirements and billing practices from the Firm. In these instances, MGO Private Wealth may alter its corresponding account requirements and/or billing practices to accommodate those of the Independent Managers.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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

#### *Methods of Analysis*

MGO Private Wealth utilizes the financial planning process to understand the asset allocation model that it will recommend to a client. The Firm then uses a combination of fundamental and technical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For MGO Private Wealth, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that MGO Private Wealth will be able to accurately predict such a reoccurrence.

#### *Investment Strategies*

MGO Private Wealth tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those

needs and objectives. MGO Private Wealth consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify MGO Private Wealth if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if MGO Private Wealth determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### *Risk of Loss Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of MGO Private Wealth's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that MGO Private Wealth will be able to predict those price movements accurately or capitalize on any such assumptions.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings.

The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *Use of Independent Managers*

As stated above, MGO Private Wealth may select certain Independent Managers to manage a portion of its clients' assets. In such situations, MGO Private Wealth continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, MGO Private Wealth generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

### *Use of Private Collective Investment Vehicles*

MGO Private Wealth recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

### *Use of Margin*

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a Financial Institution, which is secured by a client's holdings. Under certain circumstances, a lending Financial Institution may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the Financial Institution may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

## **ITEM 9 - DISCIPLINARY INFORMATION**

MGO Private Wealth has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

## **ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

This item requires investment advisers to disclose certain financial industry activities and affiliations.

### **Licensed Insurance Agents**

MGO Insurance Services, LLC is a licensed insurance company, through MGO Private Wealth, as of February 14, 2020. A certain number of the Firm's Supervised Persons are licensed insurance agents and offer certain insurance products, through MGO Insurance Services, on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that MGO Private Wealth recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other

additional compensation. The Firm has procedures in place whereby it seeks to ensure that all recommendations are made in its clients' best interest regardless of any such affiliations.

## **Related Certified Public Accounting Firm**

MGO Private Wealth does not render accounting services to clients. In the event a client requires accounting services, the firm may recommend a certified public accountant. At times, the Firm may recommend the services of the certified public accounting firm of Macias Gini & O'Connell LLP ("MGO CPAs"). These services are rendered independent of MGO Private Wealth and pursuant to a separate agreement between the client and the accounting firm. The Firm does not receive any portion of the fees paid by the client to MGO CPAs and does receive a referral fee in connection with the accounting services that MGO CPAs renders to its clients. However, one or more of the Firm's Supervised Persons is a partner of MGO CPAs and is entitled to receive distributions relative to that partner's ownership interest. There exists a conflict of interest to the extent that the Firm recommends the accounting services of MGO CPAs and its Supervised Persons receive compensation by virtue of their affiliation therewith.

In addition, certain of the accountants affiliated with MGO CPAs, but not affiliated with the Firm other than through the common ownership, may provide services or sell other products (such as real estate sales, or real estate syndications) to individuals that may be or become clients of the Firm. The Firm does not manage or recommend these other services or products to clients.

## **ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

MGO Private Wealth has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. MGO Private Wealth's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of MGO Private Wealth's personnel to report personal securities holdings and transactions and obtain pre-approval of certain investments (e.g. initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the same markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or is considering transactions in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e. spouse, minor children and adults living in the same household) a transaction in that security unless:

- The transaction has been completed;
- The transaction for the Supervise Person is completed as part of a batch trade with clients; or
- A decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact MGO Private Wealth to request a copy of its Code of Ethics.

## ITEM 12 - BROKERAGE PRACTICES

### **Factors Considered in Selecting Broker-Dealers for Client Transactions**

MGO Private Wealth generally recommends that clients utilize the custody, brokerage and clearing services of Schwab Advisor Services™ ("Schwab"), Fidelity Institutional Wealth Services ("Fidelity" and together with Schwab "Custodian"), TD Ameritrade, Inc. ("TD") and MTG, LLC dba Betterment Securities ("Betterment Securities") for investment management accounts. Factors which MGO Private Wealth considers in recommending Custodian or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Custodian may enable the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Custodian may be higher or lower than those charged by other Financial Institutions.

The commissions paid by MGO Private Wealth's clients to Custodian comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where MGO Private Wealth determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. MGO Private Wealth seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other broker-dealers with whom the Firm and its custodians have entered into agreements for prime brokerage clearing services. Should an account make use of prime brokerage, the Client may be required to sign an additional agreement, and additional fees are likely to be charged.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist MGO Private

Wealth in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because MGO Private Wealth does not have to produce or pay for the products or services.

MGO Private Wealth periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

MGO Private Wealth may receive without cost from Custodian computer software and related systems support, which allow MGO Private Wealth to better monitor client accounts maintained at Custodian. MGO Private Wealth may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at Custodian. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars").

The software and related systems support may benefit MGO Private Wealth, but not its clients directly. In fulfilling its duties to its clients, MGO Private Wealth endeavors at all times to put the interests of its clients first. Clients should be aware, however, that MGO Private Wealth's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, MGO Private Wealth may receive the following benefits from either Schwab or Fidelity:

- Credits to be used toward qualifying third-party service providers used in connection with the initial setup of the Firm's marketing;
- Receipt of duplicate client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information

### **Brokerage for Client Referrals**

MGO Private Wealth does not consider, in selecting or recommending broker/dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Directed Brokerage**

The client may direct MGO Private Wealth in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and the Firm will not seek better execution services or prices from other Financial Institutions or be able to "batch" client transactions for execution through other Financial Institutions with orders for other accounts managed by MGO Private Wealth (as described above). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the

case. Subject to its duty of best execution, MGO Private Wealth may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

## **Trade Aggregation**

Transactions for each client generally will be effected independently, unless MGO Private Wealth decides to purchase or sell the same securities for several clients at approximately the same time. MGO Private Wealth may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Firm's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among MGO Private Wealth's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which MGO Private Wealth's Supervised Persons may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. MGO Private Wealth does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a prorata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Firm may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

## **Betterment Securities Sub-Adviser Relationship**

MGO Private Wealth does not maintain custody of your assets on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw advisory fees from your account (See Item 15).

Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use MTG, LLC dba Betterment Securities ("Betterment Securities"), a registered broker-dealer and member of the SIPC, as the qualified custodian. MGO Private Wealth is independently owned and operated and is not affiliated with Betterment



Securities. Betterment Securities will hold your assets in a brokerage account and buy and sell securities when we and/or you instruct them to. While we recommend that you use Betterment Securities as custodian/broker, you will decide whether to do so and will open your account with Betterment Securities by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Betterment Securities, then we cannot manage your account on Betterment for Advisors (defined below).

## ITEM 13 - REVIEW OF ACCOUNTS

### Account Reviews

MGO Private Wealth monitors client portfolios on a continuous and ongoing basis. Such reviews are conducted by the Firm's investment adviser representatives as well as the Firm's chief compliance officer. All investment advisory clients are encouraged to discuss their needs, goals and objectives with MGO Private Wealth and to keep the Firm informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations.

### Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from MGO Private Wealth and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from MGO Private Wealth or an outside service provider.

## ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

We receive a non-economic benefit from Betterment for Advisors and Betterment Securities in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Betterment Securities. 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 Betterment for Advisors' and Betterment Securities' products and services is not

based on us giving particular investment advice, such as buying particular securities for our clients.

## ITEM 15 - CUSTODY

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize MGO Private Wealth and/or the Independent Managers to debit client accounts for payment of the Firm's fees and to directly remit that those funds to the Firm in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to MGO Private Wealth.

In addition, as discussed in Item 13, MGO Private Wealth may also send periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from MGO Private Wealth.

Betterment Securities maintains actual custody of your assets. Your statements will be available for you to review on the activity section of your Betterment for Advisors account portal. You will also receive account statements directly from Betterment Securities at least quarterly at [www.bettermentsecurities.com](http://www.bettermentsecurities.com). You should carefully review those statements promptly.

It is the policy of MGO Private Wealth and MGO CPAs for their related persons who have an ownership interest in the firm to have check writing ability on accounts of our related clients. Having this type of custody presents a conflict of interest that MGO Private Wealth has addressed by having an outside surprise annual exam. Additionally, all checks received from clients are reviewed by Ashland Partners & Co, LLP, an outside PCAOB independent CPA.

## ITEM 16 - INVESTMENT DISCRETION

MGO Private Wealth may be given the authority to exercise discretion on behalf of clients. MGO Private Wealth is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. MGO Private Wealth is given this authority through a power-of-attorney included in the agreement between MGO Private Wealth and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). MGO Private Wealth takes discretion over the following activities:

- The securities to be purchased and sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

## ITEM 17 - VOTING CLIENT SECURITIES

MGO Private Wealth generally does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with

questions about any such issuer solicitations.

## **ITEM 18 - FINANCIAL INFORMATION**

MGO Private Wealth is not required to disclose any financial information due to the following:

- The Firm does not require or solicit the prepayment of more than \$1200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.