



# Independent Wealth Network

## Item 1: Cover Page

Form ADV Part 2 Firm Brochure  
Registered Investment Adviser  
IARD# 286262

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[www.indwealth.net](http://www.indwealth.net)

April 28, 2022

For further information about Independent Wealth Network, Inc., contact: Art Dinkin

This brochure provides information about the qualifications and business practices of Independent Wealth Network, Inc. If you have any questions about the contents of this brochure, please contact us at 515-461-5123 or [compliance@indwealth.net](mailto:compliance@indwealth.net). The information in this brochure has not been approved or verified by the United State Securities and Exchange Commission (SEC) or by any state securities authority. Registration as a registered investment adviser does not imply any level of skill of training.

Additional information about Independent Wealth Network, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2:

## Material Changes

The following material changes have been implemented since our last filing of March 30, 2022:

Item 4: Updated Added held away services

Item 5: The addition of Pontera for the withdrawal of fees from held away accounts.

Full Brochure Available

Our brochure may be requested, free of charge, by contacting Art Dinkin, President and CCO at 515-461-5123 or [compliance@indwealth.net](mailto:compliance@indwealth.net).

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## **Item 4: Advisory Business**

Independent Wealth Network, Inc. (“IWN”, “Adviser”, “we”, “our”, or “us”) is a privately-owned Iowa corporation and has been in business since August 2017. The principal owners are Jeff Zupancic, Art Dinkin, and Andrew Endelman.

### **Types of Advisory Services**

IWN through its Investment Adviser Representatives (“IAR”), offers investment advisory services that are tailored to each client’s individual situation. Many factors such as the client’s investment objectives and the IAR’s expertise and business practices are considered when determining which advisory program may be most appropriate for the client. IWN requires its IARs to have successfully passed the applicable required industry examinations and to have obtained and maintain registration in the state a client resides in. After review of the client’s financial situation, risk tolerance, time horizon and goals, the IAR will make specific recommendations for the client on how to meet stated investment goals.

To implement a recommendation, the client must complete an Investment Advisory Agreement (“Agreement”) along with the Investment Policy Statement (“IPS”) with the assistance of their IAR. The advisory agreement outlines the client’s investment objectives, financial circumstances, risk tolerance and any restrictions the client may wish to impose on their investment activities. Information provided by the client influences the way the IAR invests the client’s assets. The IAR will be available to the client for consultation on these matters and will act on any changes in a client’s financial circumstances deemed to be material or appropriate as soon as practical after the IAR becomes aware of the change.

### **Financial Planning or Consulting Services**

Ongoing financial planning and/or consultation services are available if specifically requested by client. In the event the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of IAR), IAR may decide to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to client. With respect to IAR’s planning and consulting services, client acknowledges:

- Client is free to accept or reject any recommendation and client acknowledges that they have the sole authority regarding the implementation, acceptance, or rejection of any recommendation or advice.
- Recommendations for estate planning, retirement planning, taxes, insurance, and/or other services may be discussed and/or implemented, at client’s sole discretion, with the corresponding professional(s) such as a broker, accountant, attorney, or insurance agent who may be affiliated entities and/or IAR of IWN or otherwise of client’s choosing.
- In respect to estate planning and tax planning matters, IAR’s role shall be that of a facilitator between client and their corresponding professional(s).
- No portion of IWN’s services should be construed as legal or accounting advice. Rather, client should defer to a properly credentialed attorney or accountant; and
- Client will maintain sole responsibility to notify their IAR if there is a change in financial situation or investment objective(s) for reviewing, evaluating, and/or revising Advisor’s previous recommendations and/or services and/or to address new planning or consulting matters.

Each IAR utilizes different planning and investment strategies along with IWN-approved software tools when making recommendations and recommending investment allocations for client accounts, which may differ from the advice, timing, or action taken regarding other client(s). Plan supervision is guided by the stated objectives of the client as written in the Investment Policy Statement (“IPS”) attached to Agreement as Exhibit A.

Financial plans or consulting services may make future and hypothetical projections using information provided by the client. Information provided to IAR is believed to be accurate. There are no guarantees on the performance of the plan or consulting services provided.

### **Wealth Management**

By signing an Investment Advisory Agreement with IWN, the client has authorized the IAR to initiate trades or transactions on behalf of the client. The client Investment Policy Statement specifies any trading or investment limitations. A Client who gives discretion to an IAR must have complete trust in the IAR as the arrangement may be risky. However, any decisions an IAR makes must be in the client's best interest and in line with the client's suitability. Each client account may be offered different advice or services depending on the specific needs of the client and the expertise of the IAR.

### **Third-Party Managers**

IWN has agreements with third-party managers that IARs may recommend to clients. When employed, the third-party manager will direct the client's investments. The IAR assists the client in completing a suitability review and a review of the manager's strategies to meet the client's goals. IARs do not provide continuous and regular management of these assets. The IAR may assist with choosing an appropriate investment strategy or allocation and may periodically suggest changes due to market factors or changes in the client's financial goals.

Please consult the third-party manager's disclosure brochure for more information about their methods, costs, fee, risks, etc. This brochure should be provided by the IAR and should be in a similar format to the document you are now reading. Third-party managers may require some notice before cancellation; however, any unearned portion of a prepaid fee shall be refunded to the client on a pro rata basis.

### **Third-Party Models, Model Providers and Overlay Managers**

Many asset managers available are accessed using investment models ("Third-Party Models"), whereby the asset manager, acting as a "Model Provider", constructs an asset allocation and selects the underlying investments for each portfolio. Overlay Managers perform overlay management of the Third-Party Models by implementing trade orders and periodically updating and rebalancing each Third-Party Model pursuant to the direction of the Model Provider. The Model Provider may, from time to time, replace existing models or hire others to create models and cannot guarantee the continued availability of these models.

Certain Model Providers may pursue an investment strategy that utilizes underlying mutual funds or exchange traded funds advised by the Model Provider or its affiliate(s) ("Proprietary Funds"). In such situations, the Model Provider or its affiliate(s) may receive fees from their Proprietary Funds for serving as investment advisor or other service provider to the Proprietary Fund (as detailed in the Proprietary Fund's prospectus). These fees will be in addition to the management fees that a model provider receives for its ongoing management of the Third-Party Models and creates a financial incentive for the Model Provider to utilize proprietary funds. Clients should discuss any questions with or request further information from their IAR concerning the use of Proprietary Funds and Third-Party Models, or the conflict of interest this creates.

### **Adviser Managed Accounts**

In IWN Managed Accounts, IWN through its IARs, provides regular and continuous management of client portfolios based on the client's investment goals with the IAR acting with trading authority (discretion) to direct trades for the client's account. Each IAR may utilize their own investment strategies when managing client accounts. Account supervision is guided by the stated objectives of the client. The IAR may recommend that clients establish a brokerage account with a custodian to maintain custody of client's assets into effect trades for their accounts.

IWN and the custodian each reserve the right to reject and not provide services to any client or with respect to any client account for any reason. The client may be responsible for transaction charges in addition to the IAR's advisory fee. The advisory fee is negotiated between the client and their IAR based on the complexity of the investment strategy and the account size.

### **Client Brokerage and Custody Costs**

IWN is not affiliated with any custodian. IWN does not maintain custody of the client assets on which we advise. Client assets must be maintained in an account at a "qualified custodian". The custody costs, if any, are found in the prospectus or program brochure and detailed in the selected Exhibit B - Schedule of Fees, from the Investment Advisory Agreement.

In asset-based agreements the custodian charges an additional asset-based fee in lieu of transaction costs. Depending on the frequency and type of transactions, some clients may be better served with an asset-based agreement. Clients should consult with their IAR to determine which is most suitable for their situation.

In transaction-based agreements, the custodian does not charge the client separately for custody services but are compensated by charging client commissions or other fees on trades that it executes or that settle into client accounts.

The custodian executes trades for client accounts based on instructions provided by the IAR. By having the custodian execute the trades, it is consistent with our duty to seek "best execution". Best execution means the most favorable terms for transaction based on all relevant factors, including those listed above.

The client acknowledges that brokerage commissions, custodial fees, stock transfer fees, transaction fees, charges imposed directly by mutual funds, exchange traded funds, fees imposed by variable annuity providers, certain deferred sales charges, wire transfers, and other similar charges incurred in connection with transactions for client account imposed by custodian or unaffiliated third parties may be paid out of the assets in the account and are in addition to the fees paid by client to IWN. Client may select an asset-based fee structure which may eliminate some of these external fees. Clients should discuss their situation with their IAR to determine the impact of external expenses as opposed to additional asset-based fees would have on their performance.

### **Held Away Account Services**

We provide an additional service for accounts not directly held with one of our custodians but where we do have discretion and may leverage an Order Management System to implement asset allocation or rebalancing strategies on behalf of the client. These are primarily 401K accounts, 529 plans, variable annuities, and other assets we do not custody. We regularly review the current holdings and available investment options in these accounts, monitor the accounts, rebalance, and implement our strategies as necessary.

In cases where the client chooses to have IWN advise on assets that are not held at a qualified custodian with

whom IWN has an advisory relationship, IWN may have the ability to provide investment management services of those held-away accounts through a third-party portfolio management provider, Pontera. Such accounts will be studied, analyzed, allocated, monitored, managed, tactically adjusted, and rebalanced when necessary and periodically reviewed by the Firm in detail on behalf of the Client, considering the Client's evolving individual circumstances, goals, and objectives.

Access to held away accounts is achieved by the Client permitting via a provided link through Pontera for the Firm to make asset allocation changes via the Client's online login credential. These online credentials are never made available to, or held, or stored by IWN. Access is restricted and the Firm will only have permissions to make changes to the allocation of funds or other securities in the account and will not at any time be able to adjust, add to or subtract from investment options, or any other plan policies or fees assessed by the plan or the fund providers, access the financial assets in the account, make deposits, withdrawals or distributions. The assets will be monitored by the IAR - to insure the portfolio's adherence to the investment objectives and risk tolerances of the Client. These assets are included in calculating the total assets under management when assessing the annual advisory fee.

### **Client Imposed Restrictions**

Clients may impose reasonable restrictions on investing in certain securities, types of securities, industry sectors or asset classes. These restrictions must be disclosed in the client's Investment Policy Statement (Exhibit A of their Investment Advisory Agreement). However, IWN reserves the right to not accept and/or terminate the advisory relationship if we feel that the client's-imposed restrictions would limit or prevent us from maintaining the client's investment strategy or achieving the client's stated objectives. Additionally, if the client's imposed restrictions would require IWN to deviate from its standard suite of services, the firm reserves the right to end the relationship.

### **Wrap Fee Programs**

IWN offers a wrap fee program as described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. Generally, we do not manage wrap fee accounts in a different fashion than non-wrap fee accounts; however, certain client accounts may be managed differently based on the size and nature of the account and/or the client's investment objectives and risk tolerance.

In our Wrap Fee Program, your fee is bundled with our costs for executing transactions in your account(s). This may result in a higher total annualized fee to you. We do not charge our clients higher fees based on their trading activity. You should be aware that we pay the Custodian an asset based fee to cover the cost of transactions. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

### **Assets Under Management**

IWN now manages approximately \$249,838,634 on a discretionary basis and \$63,015,880 on a non-discretionary basis for total assets under management of \$312,854,514 through December 31<sup>st</sup>, 2021.

## **Item 5: Fees and Compensation**

We establish our fee arrangements with the client in our written Investment Advisory Agreement.

Independent Wealth Network, Inc. receives fees and compensation in multiple ways depending on the advisory services chosen by the client. Management fees are negotiated with the IAR providing services on behalf of the of IWN and are assessed monthly in arrears. The maximum fee on the fee-based investment management programs is 3% of assets per year, and the fee clients pay is negotiable with their IAR.

#### **Fee Schedule - Financial Planning and Consulting**

Compensation for Financial Planning or Financial Consulting Services deemed extraordinary by the IAR is a negotiable hourly fixed fee. The fixed fee is not based on a percentage of the client's assets. Hourly fees billed are accrued and billed periodically or at the completion of the plan. Negotiated fees vary depending on the complexity of the client's financial condition, special project or the plan or service. Plans must be delivered within six months of contract execution.

Either the IAR or a client may terminate services upon written notice to the other party. Our Financial Planning agreement may be terminated without cost or penalty. If the client terminates after IAR has provided all agreed upon services but prior to the time for which payment is due, then all fees due under the agreement will be immediately due.

After the termination date, IWN and the IAR will have no further duties or obligations to the client under the Financial Planning agreement.

#### **Fee Schedule – Wealth Management**

IWN is compensated with fees based on a percentage of the average daily value of eligible assets in the account for each previous month. Management fees are negotiated with the IAR providing services on behalf of IWN and are assessed monthly in arrears. The fee is deducted directly from the client's account unless otherwise specified in the Investment Advisory Agreement. Compensation is not based on a share of capital gains, or capital appreciation of any portion of client funds.

IWN charges a Program Fee in addition to investment management fee charged by the IAR and the asset-based fee (if any) imposed by the custodian. The IAR is not compensated from the Program Fee and may not negotiate the Program Fee on behalf of the Advisor.

The fee shall be paid monthly, in arrears, based upon the average daily value of the assets during the previous month. Fees will be prorated for any partial month as reflected in the average daily balance for the entire month period.

Upon notice, whenever there are changes to the fee schedule, the schedule of charges previously in effect shall continue until the next billing cycle. Client may reject changes in fee schedule by giving written notice to IWN within 30 days. If rejected, IWN is not obligated to continue services under the previous fee schedule.

#### **Fee Schedule - Held Away Accounts**

For IWN services provided to Held Away Accounts (accounts with Custodians other than our primary approved custodians), IWN will be paid a management fee (fees are negotiated with the IAR providing service on behalf of IWN) based on the market valuation of the Client's Account. Fees shall be prorated and paid monthly, in arrears, based upon the average daily value of the Client's account(s) during the previous month. If you engage us any time after the first day of the month, the fee will be prorated for the month as reflected in the average daily balance for the entire month. Clients with held away accounts must also have an account held at one of the firm's primary approved custodians from which the fees for the held away account will be deducted. Client acknowledges that for the Held Away Accounts set forth on the Investment Advisory

Agreement, Pontera Inc. allows the Firm to be able to service the Held Away Accounts and will retain a portion of the fee collected by IWN.

IWN charges a Program Fee in addition to the investment management fee charged by the IAR. The Program Fee for held away accounts is higher than accounts held at one of our primary custodians and includes fees charged to the firm by Pontera. The IAR is not compensated from the Program Fee and may not negotiate the Program Fee on behalf of the Advisor.

### **Termination of Wealth Management and Advisory Services**

The Investment Advisory Agreement may be terminated by IWN, or the client, with a full refund of fees if such termination occurs within five (5) business days after the Agreement has been signed. Thereafter, the agreement will continue in effect until terminated by either party, by one party giving written notice to the other party.

Termination of this Agreement will not affect:

- The validity of any action previously taken by IWN under this Agreement.
- Any liabilities or obligations of the parties from transactions initiated before termination of this Agreement; or
- Client's obligation to pay advisory fees (prorated through the date of termination). Upon the termination of this Agreement, IWN will have no obligation to recommend or take any action regarding the securities, cash, or other investments in the Account.

Upon termination of the relationship, IWN will accept the client's instructions regarding disposition of the account which may include transferring the client's account to a brokerage account, to a new custodian designated by the client or by liquidating the client's account. The client should be aware that certain mutual funds may impose redemption fees as stated in each company's fund prospectus. Client must keep in mind that the decision to liquidate may result in tax consequences that should be discussed with the client's tax advisor. Due to the administrative processing time needed to terminate the client's investment advisory service, it may take several business days under normal market conditions to process the client's request for liquidation or transfer. During this time, the client's account is subject to market risk. All efforts will be made to process the termination in an efficient and timely manner.

The Investment Advisory Agreement may not be assigned (within the meaning of the Investment Advisors Act of 1940) by client without the prior consent of IWN. IWN may assign the Agreement to a successor advisor or IAR who will be required to notify client and will continue to provide services previously provided to client. If the client continues to accept such services provided by the successor without written objection during the 60-day period after receipt of the notice from the successor, the successor will assume that client consented to the assignment and the successor will continue under the terms and conditions of the Agreement.

## General Information on Fees

Mutual funds, exchange traded funds (ETFs) and other investments used typically charge shareholders various fees and expenses associated with the establishment and operation of the fund. These fees generally include a management fee, shareholder servicing, other fund expenses, and sometimes a distribution fee. Each fund's current prospectus discloses these separate fees and expenses. A copy of the prospectus is available from the fund's sponsor.

IWN, its supervised persons and IARs do not accept compensation or commission for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

It is important for the client to understand that they may be paying two levels of advisory fees and expenses: one level to the fund and one level to IWN. Most mutual funds and ETFs may be purchased directly, without using our services, and without incurring our advisory fees.

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

Independent Wealth Network, Inc. does not charge fees that are based account performance.

## Item 7: Types of Clients

Independent Wealth Network, Inc. provides financial advice and/or Wealth Management services to individuals and high-net worth individuals, as well as trusts, pension and profit-sharing plans, estates, charitable organizations and corporations. We do not require minimums for income, assets, net worth, length of engagement, or other conditions for engaging our services. We value the relationship between the client and IAR and do not engage in practices which may interfere with this trusted relationship. If the relationship is no longer viable, IWN will assist the client in developing a new IAR relationship.

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

**IWN uses the following methods of analysis in formulating investment advice.**

IARs use various methods of analysis and investment strategies. Methods and strategies will vary based on the individual adviser providing advice. Models and strategies used by IAR may be different than strategies used by another IAR. Some IWN Advisers may use just one method or strategy while other Advisers may rely on multiple methods or strategies. IWN does not require or mandate a particular investment strategy be implemented by its Advisers. Further, IWN has no requirements for using a particular analysis method and our Advisers are provided flexibility (subject to IWN's supervision and compliance requirements) when developing their investment strategies. The following sections provide brief descriptions of some of the more common methods of analysis and investment strategies that are used by our IARs.

**Fundamental** - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to

produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong and could therefore lead to an unfavorable investment decision.

**Technical** - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

### **Investment Styles and Strategies**

IWN utilizes several strategies when managing client accounts. Below are some of those strategies:

Long term purchases - Investments held at least a year.

Short term purchases - Investments sold within a year.

Margin transactions - When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm.

Options including buying puts and calls, writing puts and calls, covered and uncovered - Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

## **Item 9: Disciplinary Information**

Independent Wealth Network, Inc. has never been subject to any legal or disciplinary proceedings but a few of our advisors have disciplinary history which pre-dates their association with our firm. That history is disclosed in their respective ADV Part 2B.

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

### **Financial Industry Activities**

As a registered investment adviser, IWN must disclose information regarding our business activities other than giving investment advice, our other activities in the financial industry, and any arrangements with related persons that are material to the client or our advisory business. We are also required to disclose if we receive cash or other economic benefits from a third-party relating to advising the client. These disclosures are discussed in the IARs Part 2B as it relates to their activities.

The firm is not registered as a futures commission merchant, commodity pool operator or a commodity trading advisor. One independent Investment Adviser Representative has his own futures firm as an outside business not affiliated with IWN.

### **Affiliations**

Certain associates of the firm are also registered representatives, licensed to sell securities. As a registered representative of an unaffiliated broker-dealer, he or she may earn additional compensation in the form of commissions for the sale of general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and a variable annuity to investment advisory clients. As such, your IAR may suggest that you implement investment advice by purchasing securities products through a commission-based account introduced through our unaffiliated broker-dealer in addition to an investment advisory account. In the event that you elect to purchase these products through our unaffiliated broker-dealer, your investment adviser, in the capacity as a registered representative, and our unaffiliated broker-dealer will receive the standard and customary commission compensation in connection with the particular product purchased.

Certain associates of the firm are also insurance agents licensed to sell insurance products. A conflict of interest exists in that these services pay a commission, which conflicts with the IAR's fiduciary duties. IWN does not require its IARs to encourage clients to implement investment advice through our insurance product recommendations. Clients have the right to implement insurance product recommendations through the insurance agency and agent of their choice. We require that all IARs disclose this conflict of interest when such recommendations are made. We also require IARs to disclose that the client has the right to purchase recommended products from individuals not affiliated with us.

### **Selection of Other Investment Advisers**

We may recommend or select Third Party Money Managers ("TPMM") for our clients and receive compensation from the third-party via a fee share; thus, a material conflict of interest exists between our interests and those of our clients in that IWN has an incentive to direct clients to TPMMs that provide us with a larger fee split. IWN will always act in the best interest of our clients when making recommendations or selecting TPMMs. The client always has the right to decide whether to act on our recommendations and whether to utilize the services of the recommended TPMM. The client always has the right to utilize the

professional of his or her choice. All TPMMs will be properly licensed and registered as investment advisers in the proper jurisdictions. The fees shared will not exceed any limit imposed by any regulatory agency.

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

### **Code of Ethics**

The Code of Ethics (the “Code”) was adopted to effectuate the purposes and objectives of Sections 204A and Section 206 of the Investment Advisers Act of 1940 (the “Advisers Act”) and Rule 204-2 under the Advisers Act and Rule 17j-1 of the Investment Act of 1940. The Code is a comprehensive guideline to make our Investment Adviser Representatives (“IARs”) aware of conduct and behavior expected of them, including with respect to personal securities transactions and prohibitions against trading upon material nonpublic information, so as not to take inappropriate advantage of their positions and the access to information that comes with their position. This Code further addresses other prohibited activities, and addresses reporting requirements, confidentiality requirements, and standards of care.

The Code is based on the principles that Independent Wealth Network, Inc. has a fiduciary duty to its clients. Accordingly, employees must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of the clients.

To avoid any potential conflicts of interest involving personal securities transactions IWN investment adviser representatives and employees must always:

- 1) Place clients’ interest ahead of the firms. As a fiduciary, they must serve in its clients’ best interests and may not benefit at the expense of clients.
- 2) Advisory personnel should not contemporaneously purchase or sell the same securities as a client without making an equitable allocation of the securities to the client first, based on such considerations as available capital and current positions, and then to the account of the employee. Personal trades may require preauthorization, the reporting of the transactions on IAR’s Personal Securities Blotter, and further detailed information regarding certain securities holdings, both upon commencement and upon request, over which such personnel have a direct or indirect beneficial interest.
- 3) Avoid taking advantage of the firm by not accepting investment opportunities, gifts, or gratuities as defined in the Advisers Act, from individuals seeking to conduct business with the firm or on behalf of a client.
- 4) Advisory personnel must abide by standards of disclosure regarding personal securities trading and reporting as set forth in the Advisers Act and under the firm’s Private Securities Transactions, Policy on Confidential Information, and Insider Trading Policy.
- 5) Advisory personnel are charged with the duty to protect all client information and confidentiality by properly securing their workstations, computers, mobile devices, external storage units and record; and only authorize access to employees or vendors who have a legal business need for that information to complete a customer transaction.

Employees and IARs must promptly report any violations of the Code to the Compliance Department, which

will be treated as being made on an anonymous basis. IWN monitors and reviews these concerns on a continuous basis and will provide a copy of the Code to any client or prospective client upon request.

### **Investing Personal Money in the Same Securities as Client**

On occasion, Independent Wealth Network, Inc. and its personnel may own the same securities we recommend to clients. This conflict of interest is mitigated by:

- Whenever possible, our trades will be “blocked” with client trades, executed at the same time and price.
- The total volume of each transaction is insignificant to the market and will not affect transactions in Client accounts. At no time does the firm or its personnel receive preferential treatment over clients.

### **Recommendations Involving Material Financial Interests**

Independent Wealth Network, Inc. does not recommend that clients buy or sell any security in which a related person of the firm has a material financial interest or venture solely owned by an IAR.

## **Item 12: Brokerage Practices**

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

IWN is not affiliated with any custodian. Clients will enter into a separate agreement with a custodian where IWN will manage their assets.

We consider several factors in recommending custodians to clients, such as ease of use, reputation, service execution, pricing, and financial strength. A client may pay fees and expenses that are higher than another qualified broker-dealer might charge to affect the same transaction where we determine, in good faith, that the fees and expenses are reasonable in relation to the value of the brokerage and research services received.

The determinative factor is not the lowest possible cost but whether the transaction represents the best qualitative execution. Factors taken into consideration include the full range of services, the value of research provided, execution capability, fees and expenses, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible expenses or transaction rates for client account transactions. The fees charged by the custodian are exclusive of, and in addition to, our fee.

### **Products and Services Available to IWN from Custodian**

The custodian provides IWN and our clients with access to institutional brokerage services — trading, custody, reporting, and related services — many of which are not typically available to the custodians’ retail customers. The custodian also makes available various support services. Some of those services help IWN manage or administer our clients’ accounts while others help IWN and IARs manage and grow their business. Custodians’ support services generally provided are at no charge to the firm. The following is a more detailed description of the custodians’ support services:

### **Services That Benefit Client**

The custodian’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through the custodian include some to which IWN might not otherwise have access to or that would require a significantly higher minimum initial investment by our clients.

### **Services That May Not Directly Benefit Client – Conflicts of Interest**

Custodians also make available to IWN other products and services that benefit the firm which may not directly benefit clients or their accounts. These products and services assist IWN in managing and administering our client accounts. They include investment research of their own and that of third parties. IWN may use this research to service all or a substantial number of our client accounts. In addition to investment research, the custodian makes available software and other technology that provide access to client account data (such as duplicate trade confirmations and statements), facilitate trade execution, and allocate aggregated trade orders for multiple client accounts. They also provide pricing/market data, facilitate payment of IWN fees from client accounts, and assist with back-office functions such as recordkeeping and client reporting.

The IAR may be in conflict by recommending the client sell a security and select an investment program that over the life of the program offers more compensation than the IAR may have earned by using a full-service brokerage account or by the client implementing the advice elsewhere.

### **Services That Generally Benefit Only IWN**

The custodian offers other services intended to help IWN and IARs manage and further develop their business. These services include educational conferences/events, consulting on technology, compliance, legal and business needs, publications/conferences on practice management and business succession, as well as access to employee benefit providers, human capital consultants and insurance providers.

In other cases, the custodian will arrange for third-party vendors to provide the services to IWN. The custodian may also discount or waive their fees for some of these services or pay all or a part of a third-party's fees. Custodians may also provide IWN with other benefits, such as occasional business entertainment events.

### **Research And Soft Dollar Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a custodian, we may receive without cost (or at a discount) support services and/or products, certain of which assist us to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by us may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted or gratis attendance at conferences, meetings, and other educational or social events, marketing support, computer hardware or software or other products used by us in furtherance of its investment supervisory business operations.

As indicated above, the support services and products that may be received may assist us in managing and administering client accounts. Others do not directly provide such assistance but rather assist us to manage and further develop our business enterprise.

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

## **Trade Aggregation**

We attempt to allocate trade executions in the most equitable manner possible, taking into consideration current asset allocation and availability of funds using price averaging, proration, and consistently non-arbitrary methods of allocation. We may aggregate orders in order to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients' differences in prices and commission or other transaction costs. In aggregated orders, transactions will be price-averaged and allocated among our clients in proportion to the purchase and sale orders placed for each client account on any given day.

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

IWN conducts ongoing client account reviews. Separate Financial Plans and Consulting Services Agreements are periodically reviewed as received. IWN has designated certain individuals and the Chief Compliance Officer to conduct ongoing reviews.

Through the firm's compliance software system, IWN reviews daily trades and multiple exception reports. Exception reports include monitoring account volatility versus stated risk objective, size of transaction versus total account value, the amount of activity in the account, along with any margin and options alerts or other risk factors. IWN conducts periodic reviews of third-party managers and alternative investments in the client accounts.

Investment advisory clients are required to discuss their needs, goals, and objectives with their IAR and to keep their IAR informed of any changes that may occur. IARs shall contact ongoing investment advisory clients at least annually to review their previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the custodian for their account. Those clients to whom IWN provides investment advisory services may also receive a report that may include relevant account and market-related information such as an inventory of account holdings with account performance periodically. Those clients to whom IWN provides financial planning or consulting services typically do not receive regular reports on their accounts after the financial planning or consulting services have been concluded.

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

### **Economic Benefits Provided by Third Parties for Advice Rendered to Client**

Independent Wealth Network, Inc. does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to the firm's clients.

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

If a client is referred to an IAR of IWN by a solicitor, then IAR may pay that solicitor a referral fee which will not result in any additional charge to client. The rules require:

(1) There be a written agreement between the firm and the solicitor detailing the referral arrangement.

- (2) At the time of any solicitation activities, the solicitor provides the prospective client with a copy of the IARs Part 2B Brochure, and a separate, written disclosure document disclosing the solicitor is being compensated for referring or recommending the firm or IAR, and the terms of the compensation including any fee to the client.
- (3) Prior to the engagement of IAR, the firm must receive a client signed and dated copy of the advisory agreement acknowledging receipt of Part 2B Brochure and written disclosure document.

We currently have arrangements with third party money managers which we receive compensation based on the service they provide to our clients. Any compensation arrangement is formalized in an agreement and disclosed to our clients.

## **Item 15: Custody**

Independent Wealth Network, Inc. does not take custody of client accounts at any time. Custody of client accounts, as discussed in item 12 above, are held at the client's selected custodial firm. However, clients have provided us with the authority to deduct our fees from the client's account(s). The custodian does not verify the accuracy of our advisory fee calculation and clients will receive account statements from the custodian, which should be reviewed carefully.

We are deemed to have custody as a result of our Standing Letters of Authorization ("SLOA(s)") to transfer funds from their account to third parties. In such instances where we act under such an SLOA, it is our policy to only initiate these transactions when directed by the client to transfer funds to a third party the client designates for a designated amount and at a designated time, all of their choosing. A surprise examination is not required in this circumstance where we are deemed to have custody due to SLOAs as we are relying on the conditions set forth in the No-Action letter issued by the Securities and Exchange Commission on February 21, 2017. Pursuant to the conditions set forth in the No-Action Letter, we confirm that in those situations:

- you provide an instruction to the qualified custodian, in writing, that includes your signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed;
- you authorize us, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time;
- the qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify your authorization, and the qualified custodian provides a transfer of funds notice to you promptly after each transfer;
- you have the ability to terminate or change the instruction to the qualified custodian;
- we have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in your instruction;
- we maintain records showing that the third party is not a related party of IWN or located at the same address as IWN; and
- the qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

## **Item 16: Investment Discretion**

### **Discretionary Authority for Trading**

By signing the Investment Advisory Agreement, clients give Independent Wealth Network, Inc. or selected Third-Party Manager Limited Power of Attorney to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. This trading authority facilitates placing trades in client accounts on their behalf so that we may implement the investment strategy in compliance with their Investment Policy Statement (Exhibit A of the Investment Advisor Agreement).

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

Clients must determine who is responsible for voting proxies and must indicate accordingly on account application(s).

Unless the client directs otherwise, client shall be responsible for directing the way proxies solicited by issuers of securities beneficially owned by client shall be voted and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Assets.

If client does direct the IAR to vote proxies, then client understands IAR will generally determine how to vote proxies based on IAR's reasonable judgment of what vote is likely to produce favorable financial results for client and IAR's other clients who hold the security. IAR will generally cast proxy votes in favor of proposals that maintain or strengthen the shared interests of issuer's shareholders and management, increase shareholder value, maintain, or increase the rights of shareholders. IAR will generally cast proxy votes against proposals having the opposite effect. However, IAR will consider both sides of each proxy issue to be voted on. IAR will not consider social considerations, absent contrary instructions from client. Client acknowledges that conflicts of interest may arise between IAR and client regarding proxy issues. If IWN's Chief Compliance Officer determines that a material conflict exists, IAR will follow the following procedures:

- Disclose the existence and nature of the conflict to client and seek direction on how to vote proxies.
- Abstain from voting, particularly if there are conflicting client interests; or
- Follow the recommendations of an independent proxy voting service.

Client maintains the exclusive responsibility for all legal proceedings or other types of events relating to the Assets in the Account, including but not limited to class action lawsuits.

## **Item 18: Financial Information**

IWN does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Neither Independent Wealth Network, Inc. nor its management, have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.