



**SPRINGWATER WEALTH MANAGEMENT, LLC ADV PART 2A**  
**March 14, 2023**

**ITEM 1 – COVER PAGE**

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This Brochure provides information about the qualifications and business practices of Springwater Wealth Management, LLC (hereinafter “Springwater”). If you have any questions about the contents of this Brochure, please contact us at the telephone number below or by email at [questions@springwaterwealth.com](mailto:questions@springwaterwealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Springwater Wealth Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for Springwater Wealth Management, LLC is 167539.

We are a Registered Investment Adviser. Our registration does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

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## ITEM 2 – MATERIAL CHANGES

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### Full Brochure Available

We will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business's fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us by phone at (888) 998-4796, by email at [questions@springwaterwealth.com](mailto:questions@springwaterwealth.com), or by visiting our website at [www.springwaterwealth.com](http://www.springwaterwealth.com).

### Material Changes with this Update

Since the last amendment of this Brochure in March 2022, there have been no material changes.

The Firm has made disclosure changes, enhancements and additions below at Items 4 and 5.

**ANY QUESTIONS:** Springwater's Chief Compliance Officer, James L. Corbeau, CFP®, is available to address any questions regarding this Part 2A, including the disclosure additions and enhancements below.



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## ITEM 4 – ADVISORY BUSINESS

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### 4A. Firm Description

Springwater Wealth Management, LLC (“Springwater”) is a registered investment adviser. Springwater was established in 2013 by James L. Corbeau and Terence A. Donahe.

Springwater provides financial planning, discretionary and non-discretionary investment management and wealth management advice to individuals, families and their related entities, trusts and estates, and family businesses on a fee basis as discussed at Item 5 below. These services are billed separately as unique services, as described below. Springwater also provides advice to retirement plan sponsors and their participants, and investment consulting services to retirement plan sponsors and trustees.

Before engaging in any services, we will enter into an agreement specific to the services to be provided to you setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client. The agreement may not be modified or amended without the written consent of both parties. The agreement may be canceled at any time by either party, for any reason, upon receipt of written notice by the non-canceling party. Upon termination, any prepaid, unearned fees will be promptly refunded and any earned, unpaid fees will be due and payable.

### 4B. Types of Advisory Services

Springwater offers financial planning, investment management and comprehensive wealth management advice to our clients. Springwater also provides advice to retirement plan sponsors and their participants, and investment consulting services to retirement plan sponsors and trustees. All prospective clients receive a complimentary initial consultation to discuss the range and suitability of services offered.

#### **Financial Planning**

Springwater’s financial planning advice involves a range of services, principally advisory in nature, to assist you in developing strategies for the successful management of your financial resources in order to achieve your long-term financial goals and objectives.

If you decide to retain us for financial planning services, we will:

- define the scope of your initial financial plan with you
- help you clarify and prioritize your financial and non-financial goals and objectives
- collect, analyze and evaluate pertinent information about your current financial situation
- develop and present to you a written financial plan
- review with you the plan’s general and specific recommendations and action points

The financial plan may, for example, recommend that you obtain new insurance or revise existing coverage; establish a tax-advantaged retirement account; consolidate several retirement accounts into a single rollover IRA account; increase or decrease cash holdings, or invest in appropriate securities according to an investment strategy based on your investment horizon, risk tolerance and other unique constraints. We may also suggest possible tax or estate planning strategies for you to pursue with an accountant or attorney.

Financial plans are based on your financial situation at the time the plan is presented and are based on financial information disclosed by you to us. While we cannot offer guarantees or promises that your goals and objectives will be met, an advisory relationship with us can provide an ongoing stimulus to review, adapt and revise your financial plan throughout your lifetime.

Proper financial planning is not a one-time event, and as your financial situation, goals and objectives, and the economic, legal and/or regulatory environments change, your initial plan should be revised to reflect these changes. Ongoing financial planning advice and periodic reviews can be accommodated in a variety of ways, depending on your needs.

#### **Investment Management**

The investment management advice and services provided by Springwater to our clients vary, depending on each client’s goals, objectives and other unique circumstances, including his or her investment horizon, risk tolerance and other constraints. Such advice and service typically include the design and implementation of a custom asset allocation, as well as portfolio monitoring, regular reporting, performance analysis and rebalancing recommendations.



Your portfolio investment strategy will be initially designed to meet particular investment goals, which Springwater may help you determine, based on your circumstances. Once the appropriate portfolio investment strategy has been determined, we will periodically review the portfolio and, when appropriate, rebalance the portfolio, based upon your needs, stated goals and objectives. Springwater's investment strategy, generally, is to seek to meet your objectives at an acceptable risk level.

Springwater asks our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the purchase and selling of securities, arranging for payments to the client, or generally acting on behalf of our clients in most matters necessary to the handling of the account.

### **Wealth Management**

Our wealth management service integrates our financial planning and investment management services to provide you with a personalized investment strategy; portfolio management; risk management, tax and estate planning advice, and charitable and gift planning strategies.

Our wealth management service is ongoing and consultative in nature, and we will meet regularly with you to review and update your information, measure progress in specific financial areas, and develop strategies to address changed circumstances.

In providing wealth management services, Springwater typically works together with your other advisors, which may include your accountant, attorney, insurance agents and/or other professionals. These other professionals are engaged directly by you on an as-needed basis, even when recommended by us. Any conflicts of interest will be disclosed to you and managed in your best interest.

### **Springwater Wealth Intelligent Portfolios**

The Springwater Wealth Intelligent Portfolios Program (the "SWIP Program") is an automated investment management service available at our discretion to clients with smaller and/or less complicated investment and/or retirement accounts. Springwater uses the Institutional Intelligent Portfolios<sup>®</sup> platform (the "Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of Charles Schwab & Co., Inc. ("CS&Co"), to operate the SWIP Program.

Schwab provides technology and related trading services and automates key parts of the investment process. SWIP Program clients are invested in a range of investment strategies Springwater has constructed and manages, each consisting of a portfolio that can include exchange-traded funds ("ETFs") or mutual funds, and a cash allocation. As a SWIP Program client you may instruct Springwater to exclude up to three mutual funds or ETFs from your account. Your account is opened by you at Charles Schwab & Co., Inc. Springwater is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co, or their affiliates (CS&Co and its affiliates are sometimes collectively referred to as "Schwab").

Springwater, and not Schwab, is your investment adviser and primary point of contact with respect to the SWIP Program. Springwater is solely responsible, and Schwab is not responsible, for determining the appropriateness of the SWIP Program for you, choosing a suitable investment strategy for your investment needs and goals, and managing your portfolio on an ongoing basis. Springwater has contracted with SPT to provide Springwater with the Platform, which consists of technology and related trading and account management services for the SWIP Program. The Platform enables Springwater to make the SWIP Program available to clients online and includes a system that automates certain key parts of its investment process (the "System"). The System also includes an automated investment engine through which Springwater manages your portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if your account is eligible and you elect this feature). Schwab ensures that the platform operates as described.

The SWIP Program enrollment process includes a third-party questionnaire completed by you that helps us determine your investment risk profile. The results inform our recommendation for a suitable model portfolio. The recommendation is agreed to by you. The recommended model portfolios use low-cost, well-diversified mutual funds and exchange-traded funds offered by Dimensional Funds, Vanguard, Schwab, and others.

Springwater charges clients a fee for our services as described below under Item 5, Fees and Compensation. Springwater's fees are not set or supervised by Schwab. Springwater does not pay SPT fees for the Platform so long



as we maintain \$100 million in client assets in accounts at Schwab that are not enrolled in the SWIP Program. If Springwater does not meet this condition, then we may be required to pay Schwab an annual licensing fee of 0.10% of the value of our clients' assets in the SWIP Program. This arrangement presents a conflict of interest, as it provides an incentive for Springwater to recommend that clients maintain their accounts at Schwab. Notwithstanding, Springwater may generally recommend to our clients that accounts be maintained at Schwab based on the considerations discussed in Item 12 below, which mitigate this conflict of interest. Springwater's Chief Compliance Officer remains available to address this conflict of interest.

Clients enrolled in the SWIP Program are limited in the universe of investment options available to them. For example, the SWIP Program investment options available are limited to ETFs and mutual funds, whereas Springwater may recommend various other types of securities in our other services. As a SWIP Program client you will have access to your account and a financial interface online but will also have the opportunity to consult with Springwater regarding your account. Please also refer to Item 8 below regarding the investment risks associated with mutual funds and ETFs.

#### Rebalancing

The System will rebalance your SWIP Program account periodically by generating instructions to Schwab to buy and sell shares of funds and depositing or withdrawing funds through the "Sweep Program", based on your investment strategy and asset allocation. Rebalancing trade instructions can be generated by the System when (i) the percentage allocation of an asset class varies by a set parameter established by us, (ii) we decide to change the funds or their percentage allocations for an investment strategy or (iii) we decide to change your investment strategy, which could occur, for example, when you make changes to your investment profile or impose or modify restrictions on the management of your account. Your account must have a balance of at least \$5,000 for the System to rebalance.

We review the performance of the SWIP Program platform regularly to ensure that our clients are invested according to the parameters of the model portfolios. Item 12 provides more information about the trading and execution functions of the SWIP Program.

#### Sweep Program

Each SWIP Program investment strategy includes a cash allocation (the "Cash Allocation") that will be held in a sweep program at Charles Schwab Bank (the "Sweep Program"). The Cash Allocation is a minimum of 4% of an account's value to be held in cash, and may be higher, depending on the investment strategy chosen. The Cash Allocation is accomplished through enrollment in the Sweep Program, a program sponsored by Schwab. By enrolling in the SWIP Program, you consent to having the free credit balances in your account at Schwab swept into a deposit account ("Deposit Account") at Charles Schwab Bank ("Schwab Bank") through the Sweep Program. Schwab Bank is an FDIC-insured depository institution that is a Schwab affiliate. The Sweep Program is a required feature of the SWIP Program. If the Deposit Account balance exceeds the Cash Allocation for your investment strategy, the excess over the rebalancing parameter will be used to purchase securities through rebalancing. If you request a cash withdrawal from your account, this may require the sale of fund positions in your account to bring your Cash Allocation in line with that for your target allocation. If you have a taxable account, those sales may generate capital gains (or losses) for tax purposes. In accordance with an agreement with Schwab, Schwab Bank has agreed to pay an interest rate to depositors participating in the Sweep Program that will be determined by reference to an index.

#### Compensation to Schwab Under the Program

You do not pay fees to SPT or brokerage commissions or other fees to Schwab as part of the SWIP Program. However, Schwab receives other revenues including: (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™, Schwab Funds® and Laudus Funds® that we may select to buy and hold in your account; (iii) fees received by Schwab from third-party ETFs that participate in the Schwab ETF OneSource™ program and mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in your account for services Schwab provides; and (iv) remuneration Schwab may receive from the market centers where it routes ETF trade orders for execution.

#### **Retirement Plans**

The investment advice and services provided by Springwater to our retirement plan clients vary, depending on each client's specific goals, objectives and other unique circumstances.

For retirement plan sponsors, our advice and services may include:



- recommendations for the design of an appropriate qualified retirement plan;
- the selection of suitable investment products to be made available to plan participants;
- recommendations for the design of model portfolios to be made available to plan participants;
- periodic review of the plan's investment options, consultation regarding their continued suitability, and, if relevant, recommendations for alternative investment products;
- periodic presentations to current and new plan participants addressing general plan design, investment choices and other plan features;
- other services that Springwater and the client may agree upon.

**Trustee Directed Plans.** Springwater may be engaged to provide discretionary investment advisory services to ERISA retirement plans, whereby Springwater shall manage Plan assets consistent with the investment objective designated by the Plan trustees. In such engagements, Springwater will serve as an investment fiduciary as that term is defined under The Employee Retirement Income Security Act of 1974 ("ERISA"). Springwater will generally provide services on an "assets under management" fee basis per the terms and conditions of an *Investment Advisory Agreement* between the Plan and Springwater.

**Participant Directed Retirement Plans.** Springwater may also provide investment advisory and consulting services to participant directed retirement plans per the terms and conditions of a *Retirement Plan Services Agreement* between Springwater and the plan. For such engagements, Springwater shall assist the Plan sponsor with the selection of an investment platform from which Plan participants shall make their respective investment choices (which may include investment strategies devised and managed by Springwater), and, to the extent engaged to do so, may also provide corresponding education to assist the participants with their decision making process.

**Client Retirement Plan Assets.** If requested to do so, Springwater shall provide investment advisory services relative to 401(k) plan assets maintained by the client in conjunction with the retirement plan established by the client's employer. In such event, Springwater shall allocate (or recommend that the client allocate) the retirement account assets among the investment options available on the 401(k) platform. Springwater's ability shall be limited to the allocation of the assets among the investment alternatives available through the plan. Springwater will not receive any communications from the plan sponsor or custodian, and it shall remain the client's exclusive obligation to notify Springwater of any changes in investment alternatives, restrictions, etc. pertaining to the retirement account. Unless expressly indicated by the Springwater to the contrary, in writing, the client's 401(k) plan assets shall be included as assets under management for purposes of Springwater calculating its advisory fee.

**Please Note:** ERISA / IRC Fiduciary Acknowledgment. If the client is: (i) a participant or beneficiary of a Plan subject to Title I of the Employee Retirement Income Security Act of 1974 ("ERISA") or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (ii) the beneficial owner of an Individual Retirement Account ("IRA") acting on behalf of the IRA; or (iii) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then Springwater represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by Springwater or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

#### **4C. Client Tailored Relationships and Restrictions**

As a fiduciary, Springwater always acts solely in your best interest. Your portfolio investment strategy is customized and tailored to your unique circumstances, including your investment objectives, risk tolerance and capacity, and investment horizon. You may make requests or make suggestions regarding the investments made in your portfolio. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored and, if forced, may result in the termination of your advisory agreement.

As part of our financial planning and wealth management services, Springwater may provide guidance regarding non-investment related matters. Neither Springwater nor any of its representatives serves as an attorney, accountant or insurance agent, and no portion of Springwater's services should be construed as legal, tax or insurance advice. To the extent requested by a client, Springwater may recommend the services of other professionals for non-investment implementation purposes (i.e. attorneys, accountants, insurance agents, etc.). You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from us. Please note that if you engage any such recommended professional, and a dispute arises thereafter relative to such engagement, you agree to seek recourse



exclusively from and against the engaged professional. Please also note that it remains your responsibility to promptly notify Springwater if there is ever a change in your financial situation or investment objectives for the purpose of reviewing, evaluating and/or revising Springwater's previous recommendations and/or services.

#### **4D. Wrap Fee Program**

Springwater does not sponsor nor provide portfolio management services to a wrap fee program.

#### **4E. Assets under Management (AUM)**

As of year-end 2022, Springwater managed \$170,752,912 on behalf of our clients. \$132,582,500 is managed on a discretionary basis, and \$38,170,412 on a non-discretionary basis. In addition, Springwater had \$13,361,112 of assets under advisement.

#### **4F. Miscellaneous**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** Springwater **does not** serve as an attorney, accountant or insurance agent, and no portion of our services should be construed as legal, accounting or insurance services. Accordingly, Springwater **does not** prepare estate planning documents or tax returns, not does it sell insurance products. To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance agents or brokers, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Springwater and/or its representatives. **Please Note:** If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Please Note – Retirement Rollovers – Potential for Conflict of Interest.** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options):

- (i) leave the money in the former employer's plan, if permitted,
- (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted,
- (iii) roll over to an Individual Retirement Account ("IRA"), or
- (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences).

If Springwater recommends that a client roll over their retirement plan assets into an account to be managed by Springwater, such a recommendation creates a conflict of interest if Springwater will earn new (or increase its current) compensation as a result of the rollover. If Springwater recommends that you roll over their retirement plan assets into an account to be managed by Springwater, such a recommendation creates a conflict of interest if Springwater will earn new (or increase its current) compensation as a result of the rollover. Whether Springwater provides a recommendation as to whether a client should engage in a rollover or not, Springwater is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. **No client is under any obligation to rollover retirement plan assets to an account managed by Springwater. Springwater's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.**

**Please Note – Use of Mutual and Exchange Traded Funds.** Springwater utilizes mutual funds and exchange traded funds for its client portfolios. In addition to Springwater's investment advisory fee described below, and transaction and/or custodial fees discussed above, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). **Please Note – Use of DFA Mutual Funds:** Springwater utilizes mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers. Thus, if the client was to terminate Springwater's services, and not transition to another adviser who utilizes DFA funds, restrictions regarding additional purchases of, or reallocation among other, DFA funds will generally apply. **Springwater's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above.**

**Schwab.** As discussed below at Item 12, when requested to recommend a broker-dealer/custodian for client accounts, Springwater generally recommends that Schwab serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge transaction fees for effecting securities transactions. In addition to Springwater's investment advisory fee and transaction fees, clients will also incur, relative to all mutual fund





and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). The fees charged by Schwab, or any broker-dealer/custodian directed by the client, are in addition to Springwater's advisory fee referenced in Item 5 below.

**Socially Responsible Investing Limitations.** *Socially Responsible Investing* involves the incorporation of **Environmental, Social and Governance** considerations into the investment due diligence process ("ESG). ESG investing incorporates a set of criteria/factors used in evaluating potential investments: Environmental (i.e., considers how a company safeguards the environment); Social (i.e., the manner in which a company manages relationships with its employees, customers, and the communities in which it operates); and Governance (i.e., company management considerations). The number of companies that maintain an acceptable ESG mandate can be limited when compared to those that do not, and could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange traded funds are few when compared to those that do not maintain such a mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Springwater), there can be no assurance that investment in ESG securities or funds will be profitable or prove successful.

**Reporting Services.** Springwater can also provide, for a separate fee (see Item 5 below), account reporting services, which can incorporate client investment assets that are not part of the assets that Springwater manages (the "Excluded Assets"). Unless agreed to otherwise, in writing, **the client and/or his/her/its other advisors that maintain trading authority, and not Springwater, shall be exclusively responsible for the investment performance of the Excluded Assets.** Unless also agreed to otherwise, in writing, Springwater does not provide investment management, monitoring or implementation services for the Excluded Assets. The client can engage Springwater to provide investment management services for the Excluded Assets pursuant to the terms and conditions of the *Investment Advisory Agreement* between Springwater and the client.

**Portfolio Activity.** Springwater has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, Springwater will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client's investment objective. Based upon these factors, there may be extended periods of time when Springwater determines that changes to a client's portfolio are neither necessary nor prudent. You remain subject to the fees described in Item 5 below during periods of account inactivity. Of course, as indicated below, there can be no assurance that investment decisions made by Springwater will be profitable or equal any specific performance level(s).

**Please Note: Non-Discretionary Service Limitations.** Clients that wish to engage Springwater on a non-discretionary investment advisory basis **must be willing to accept** that Springwater cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Springwater would like to make a transaction(s) for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Springwater will be unable to effect the account transaction(s) (as it would for its discretionary clients) **without first obtaining the client's consent.**

**Client Obligations.** In performing our services, Springwater shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, it remains each client's responsibility to promptly notify Springwater if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Springwater) will be profitable or equal any specific performance level(s).

**Cybersecurity Risk.** The information technology systems and networks that Springwater and its third-party service providers use to provide services to Springwater's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Springwater's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Springwater are nonetheless subject to the risk of cybersecurity incidents that could ultimately



cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Springwater has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Springwater does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions

**Disclosure Brochure.** A copy of Springwater’s written Brochure as set forth on Part 2A of Form ADV and Form CRS (Client Relationship Summary) shall be provided to each client prior to, or contemporaneously with, the execution of an agreement between the client and Springwater.

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## ITEM 5 – FEES AND COMPENSATION

### 5A, 5B and 5D. Fee Schedules, Payments & Options

#### **Financial Planning**

The fee for an initial financial plan is based on a number of factors, including the complexity of the scope of work agreed and the time required of us to prepare, present and review the plan with you.

Springwater’s fees for an initial financial plan typically range from \$3,500 to \$7,500. We provide all prospective clients with a “not-to-exceed” quote for this work in advance.

A partial payment of \$500 is due when you sign your financial planning agreement, with the remainder due within ten (10) days of invoice after completion of your plan. After your initial plan is complete, Springwater can update your plan at your request. Springwater’s fee to update your plan is typically one-half of the fee for your initial plan. Planning fees are billed as defined in the client’s Financial Planning Agreement.

#### **Investment Management**

Springwater generally does not provide investment management services on a stand-alone basis, but we may do so at our sole discretion.

Springwater’s investment management fees are based on the market value of your assets under management, including cash. Investment management fees are calculated according to the following annualized, tiered schedule:

<b>Assets Under Management</b>	<b>Annual Fee (in %)</b>
First \$1,000,000	0.90%
Next \$2,000,000	0.75%
Next \$2,000,000	0.60%
All assets over \$5,000,000	0.35%

#### **Annual fee for portfolio value below \$1,000,000**

In the event that your portfolio value is below \$1,000,000 Springwater may charge a flat rate of \$9,000 per year. Once your account value exceeds \$1,000,000, the standard fee schedule listed above will apply. Please Note: If you maintain less than \$1,000,000 of assets under Springwater’s management, and are subject to the \$9,000 annual minimum fee, you will pay a higher percentage annual fee than referenced in the above fee schedule.

Springwater, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers



for similar or lower fees. **ANY QUESTIONS:** Springwater’s Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding advisory fees.

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded. Certain accounts may include low cost basis stocks. Springwater will bill on these securities although we do not recommend them.

Springwater’s investment management fees are generally paid from your designated account by the custodian when we submit an invoice to them. Investment management fees are calculated at the end of each calendar quarter, based on the value of your assets under management on the last trading day of each calendar quarter. Investment management fees are pro-rated for any partial calendar quarter, based on the number of days your accounts were managed by us during the quarter. Shortly after the end of each calendar quarter, Springwater will send to you and the custodian an invoice for the fees earned by us during the immediately preceding calendar quarter.

If there is insufficient cash in your account to pay our fees, we will confirm with you the liquidation of securities to pay the fees. Otherwise, we will contact you to arrange for payment of fees.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees, including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. A custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees.

**Wealth Management**

Springwater’s wealth management fees are based on the market value of your assets under management, and generally cover full wealth management services, including financial planning and investment management. Wealth management fees are calculated according to the following annualized, tiered schedule:

<b>Assets Under Management</b>	<b>Annual Fee (in %)</b>
First \$1,000,000	0.95%
Next \$2,000,000	0.80%
Next \$2,000,000	0.65%
All assets over \$5,000,000	0.40%

Annual fee for portfolio value below \$1,000,000

In the event that your portfolio value is below \$1,000,000 Springwater may charge a flat rate of \$9,500 per year. Once your account value exceeds \$1,000,000, the standard fee schedule listed above will apply. Please Note: If you maintain less than \$1,000,000 of assets under Springwater’s management, and are subject to the \$9,500 annual minimum fee, you will pay a higher percentage annual fee than referenced in the above fee schedule.

In addition, Springwater generally charges new wealth management clients a one-time flat fee for our preparation and presentation of their initial financial plan and investment strategy. Our fee for this initial plan and strategy typically ranges from \$3,500 to \$7,500. If applicable, a partial payment of \$500 would be due when you sign your wealth management agreement, with the remainder due within ten (10) days of invoice after completion of your plan. We provide all prospective clients with a “not-to-exceed” quote for this work in advance.

Wealth management fees are generally paid from your designated account by the custodian when we submit an invoice to them. Wealth management fees are calculated at the end of each calendar quarter, based on the value of your assets under management on the last trading day of each calendar quarter. Springwater’s policy is to treat intra-quarter account additions and withdrawals equally and Springwater does not charge for intra-quarter additions or withdrawals unless indicated to the contrary on Springwater’s Investment Advisory Agreement executed by the client. Wealth management fees are pro-rated for any partial calendar quarter, based on the number of days your accounts were managed by us during the quarter. Shortly after the end of each calendar quarter, we will send to you and the custodian an invoice for the fees earned by us during the immediately preceding calendar quarter.



If there is insufficient cash in your account to pay our fees, we will confirm with you the liquidation of securities to pay the fees. Otherwise, we will contact you to arrange for payment of fees.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees, including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. A custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees.

### **Springwater Wealth Intelligent Portfolios**

Springwater's investment management fees for the SWIP Program are based on the market value of your assets under management. Fees are calculated according to the following annualized schedule:

<b>Assets Under Management</b>	<b>Annual Fee (in %)</b>
All Program Assets	0.40%

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded. In certain circumstances, fees may be negotiable.

Springwater's SWIP Program investment management fees are paid from your account by the custodian. SWIP Program investment management fees are calculated at the end of each calendar quarter, based on the value of your assets under management on the last trading day of each calendar quarter. SWIP Program investment management fees are pro-rated for any partial calendar quarter, based on the number of days your accounts were managed by us during the quarter.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees due to the termination. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees.

### **Retirement Plan Advisory Services**

Springwater's fee for retirement plan advisory services is typically based on a percentage of the market value of all plan assets. Unless otherwise agreed with the client, this percentage is 0.50% per year. The plan advisory fee is calculated at the end of each calendar quarter, based on the market value of the plan assets on the last trading day of each calendar quarter. If appropriate, a flat annual fee may be agreed instead. For any partial calendar quarters, the advisory fee is pro-rated.

Our retirement plan clients typically elect to pay us by authorizing, in writing, their plan administrator or record-keeper to deduct on a pro-rata basis from each plan participant's account the advisory fee for each calendar-year quarter. We provide the plan administrator or record-keeper with a copy of the signed client agreement, so that they can send the client a quarterly statement showing the amount of the advisory fee due, and how the fee was calculated.

Clients are responsible for verifying fee computations, since custodians are not typically asked to perform this task. The plan administrator or record-keeper will send the client a quarterly statement showing all amounts paid from the plan participant's accounts, including all fees paid by the custodian(s) to Springwater.

If appropriate, a client may instead opt to pay us directly, rather than from the participants' plan accounts. In this case, Springwater will send the client a quarterly statement showing the amount of the advisory fee due, and how the fee was calculated. Invoices are due within ten (10) days from the date of the invoice. A late charge of 1.5% per month will be charged upon any balance unpaid within one month of the invoice date. Again, clients are responsible for verifying fee computations.

### **5C. Third Party Fees**

You are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees Springwater charges. All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions in your account will be paid out of the assets in the account and are in addition to the investment management fees paid to Springwater. While we take measures to ensure the fees charged are accurate, it is your responsibility to ensure the amount of fee charged is correct. In addition



to statements sent by us, you will receive statements directly from these brokers, custodians or mutual funds or other investments you hold. We strongly urge you to compare these statements for accuracy.

## 5E. Other Investment Compensation

Springwater does not accept commission for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

**Please Note: Cash Positions.** Springwater continues to treat cash as a distinct asset class. As such, unless determined to the contrary by Springwater, all cash positions (money market funds, etc.) shall continue to be included as part of assets under management for purposes of calculating Springwater's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), Springwater may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Springwater's advisory fee could exceed the interest paid by the client's money market fund. **ANY QUESTIONS: Springwater's Chief Compliance Officer remains available to address any questions that a client or prospective may have regarding the above fee billing practice.**

## ITEM 6 – PERFORMANCE-BASED FEES

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Springwater is not a party to any performance or incentive-related compensation arrangements with its clients.

## ITEM 7 – TYPES OF CLIENTS

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Springwater generally provides financial planning, investment management, wealth management and retirement plan services to individuals, high net worth individuals, non-profit organizations, trusts, estates, and pension and profit-sharing plans. Springwater generally requires a minimum initial account size of \$1,000,000, although we may lower or waive this account size requirement in our sole discretion. Minimum fees may apply for wealth management and investment management services.

Use of the SWIP Program requires a minimum account size of \$5,000. The SWIP Program is only open to individual client accounts. Institutional accounts (corporations and partnerships, for example) are not able to be included in this Program.

Springwater, in its discretion, may charge a lesser investment advisory fee, charge a flat fee, waive its fee entirely, or charge fee on a different interval, based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). **Please Note:** As result of the above, similarly situated clients could pay different fees. In addition, similar advisory services may be available from other investment advisers for similar or lower fees. **ANY QUESTIONS:** Springwater's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding advisory fees.

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

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Springwater uses Modern Portfolio Theory ("MPT") as the foundation of its investment approach. MPT proposes that investments should be selected on the basis of how their returns move in relation to each other ("correlation"), rather than how they perform in isolation.

Capital markets are composed of many different types of securities, including domestic and international stocks and bonds, and real estate investment trusts. A group of securities that share common risk and return traits is commonly referred to as an "asset class". There are many asset classes that are distinct from one another, in terms of their average price movements. According to MPT, diversifying a portfolio across a range of asset classes can both reduce the volatility (risk) of a portfolio's investment returns and increase the potential for higher investment returns.



Springwater typically incorporates 12 or more distinct asset classes when building investment portfolios for our clients. When determining which asset classes to use in our model portfolios, we incorporate research into asset class returns, risk and correlation conducted by leading academic researchers in the field of finance. Our objective is to select investments that offer the prospect of good asset class diversification at a low cost. We determine the amount to allocate to each asset class based upon each asset class's risk characteristics and the investment objective of the model portfolio.

Springwater's selection of investment vehicles supports the asset allocation process. We invest primarily in asset class-oriented mutual funds and exchange-traded funds selected for their asset class exposure, diversification characteristics, internal expenses and tax efficiency. We often select institutional funds (investments available only through an investment advisor) and investments with below-average expenses for their category.

Each client portfolio maintains a target asset allocation. At a minimum, client portfolios are reviewed each year to evaluate the extent to which the actual allocation deviates from the target allocation. Where the deviation is considered excessive, Springwater will recommend the appropriate actions in order to bring the actual allocation back within an acceptable range of the target allocation. This process is referred to as "rebalancing" and is utilized with the intent of (1) helping maintain an expected risk level for the portfolio that should be more consistent over time, and (2) systematizing a way to aid the client in "buying low and selling high".

It is Springwater's objective to have an Investment Policy Statement ("IPS") for each client. The IPS is a document that outlines the policies and procedures to be followed by Springwater on behalf of the client and is individualized for each client. Topics addressed in a typical IPS may include the client's investment goals, time horizon, risk tolerance, tax considerations, criteria for investment selection, target asset allocation, overall investment strategy, the trigger for rebalancing procedures to be implemented, and frequency and type of monitoring and reporting.

Springwater may purchase for client accounts mutual fund or exchange-traded fund shares for which the client pays a transaction fee. Although there may be other mutual funds and exchange-traded funds available with no transaction fees ("NTF funds"), Springwater recognizes that the overall cost to the client over the long-term may be lower when using mutual funds or exchange-traded funds with a transaction fee than when using NTF fund shares. This is reflected in Springwater's use of mutual funds from the Dimensional Funds and Vanguard fund families, which are not NTF funds.

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

Springwater will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that your account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under your agreement and understand that investment decisions made for your accounts are subject to various market, currency, economic, political and business risks.

Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by Springwater with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any unauthorized act or failure to act by a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

#### Mutual Fund and ETF Risks

An investment in a mutual fund or ETF involves risk, including the risk that the general level of security prices may decline, thereby adversely affecting the investment value. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities, which can result in the loss of principal. Mutual fund and ETF 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. As such, a mutual fund or ETF client or investor may incur substantial tax liabilities even when the fund underperforms.

An ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain index securities in the secondary market or discrepancies between the ETF and the index with respect to the weighting of securities or the number of securities held. ETFs in which the strategies invest have their own fees and expenses as set forth in the ETF prospectuses. ETFs may have exposure to derivative instruments, such as futures contracts, forward contracts, options, and swaps. There is a risk that a derivative may not perform as expected. The main risk with derivatives is that some types can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative, or that the counterparty may fail to honor its contract terms, causing a loss for the ETF. Use of these instruments may also involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk, and the risk that an ETF could not close out a position when it would be most advantageous to do so. Some ETFs available are less than 10 years old. Accordingly, there is limited data available to use when assessing the investment risk of some of these ETFs. As a result, one or more of the following may occur: (i) poor liquidity in or limited availability of the ETFs, or (ii) lack of market depth causing the ETFs to trade at excessive premiums or discounts.

Mutual funds are operated by investment companies that raise money from shareholders and invest it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Shares of mutual funds are 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 in 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 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 indexed-based ETFs and 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. While clients and investors may be able to sell their ETF shares on an exchange, ETFs generally only redeem shares directly from shareholders when aggregated as creation units (usually 50,000 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.

## **ITEM 9 – DISCIPLINARY INFORMATION**

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### **9A. Civil or Criminal Actions**

Springwater and its principals have never been found guilty, convicted or plead no contest to a criminal or civil action in a domestic, foreign or military court.

### **9B. Administrative Enforcement Proceedings**

Springwater and its principals have never been found by the SEC, any other state or federal agency or any foreign regulatory agency to have caused loss of the ability of an investment-related business to do business or been sanctioned, barred or limited in investment-related activities.

### **9C. Self-Regulatory Organization Enforcement Proceedings**

Springwater and its principals have never been found by a self-regulatory agency to have caused loss of the ability of an investment-related business to do business. Additionally, Springwater and its principals have never been found in violation of self-regulatory agencies rules such that they were barred, suspended, limited in advisory functions or fined.



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## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

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### 10A. Broker-Dealers and Registered Representatives

Springwater is not registered as a broker-dealer and our employees are not registered representatives of any broker-dealer.

### 10B. Registration or an Associated Person of a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Springwater nor our employees hold any of the above registrations.

### 10C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

The principal business of Springwater is that of a registered investment advisor and provider of financial planning services.

Springwater will disclose any material conflict of interest relating to Springwater, our representatives, or any of our employees that could reasonably be expected to impair the rendering of unbiased and objective advice.

### 10D. Selection of Other Advisors and How this Advisor is Compensated for those Selections

Springwater is not paid for the selection of other advisors, asset managers or portfolio managers.

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

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### 11A. Code of Ethics Description

The employees of Springwater have committed to a Company Code of Ethics, which describes our high standards of business conduct and imposes on them a fiduciary duty to place the interests of clients ahead of their own and the Company's.

The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, procedures for personal securities trading, and restrictions on the acceptance of significant gifts, among other things. All supervised persons at Springwater must acknowledge the terms of the Code of Ethics annually, or as amended.

A copy of Springwater's Code of Ethics is available, free of charge, upon request. Employees with industry designations may also abide by additional codes and ethical guidelines as set forth by their regulating agencies, as stated in each employee's detailed brochure.

### 11B, 11C and 11D. Participation or Interest in Client Transactions

Springwater, or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. We will always buy or sell from our clients' accounts before we buy or sell from our accounts. In some cases Springwater, or its employees, may buy or sell securities for our own accounts and not for clients' accounts, as it may not meet the objectives or plans for the client. Springwater will always act in the best interest of the client and place client interests above those of the firm or individual investment adviser representatives.

Springwater will always maintain full disclosure with our clients so that they can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause a client to be unfairly influenced to make any decision regarding actions or inactions in their account.

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## ITEM 12 – BROKERAGE PRACTICES

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### 12A. Selecting Brokerage Firms

In the event that the client requests that Springwater recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Springwater to use a specific broker-dealer/custodian), Springwater generally recommends that investment management accounts be maintained at Charles Schwab & Co., Inc. Prior to engaging Springwater to provide investment management services, the client will be required to enter into a





formal advisory agreement with Springwater setting forth the terms and conditions under which Springwater shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Springwater considers in recommending Schwab (or any other broker-dealer/custodian to clients) include financial strength, reputation, execution capabilities, pricing, research, and service. Broker-dealers such as Schwab can charge transaction fees for effecting certain securities transactions (See Item 4 above). To the extent that a transaction fee will be payable by the client to Schwab, the transaction fee shall be in addition to Springwater's investment advisory fee referenced in Item 5 above.

To the extent that a transaction fee is payable, Springwater shall have a duty to obtain best execution for such transaction. However, that does not mean that the client will not pay a transaction fee that is higher than another qualified broker-dealer might charge to effect the same transaction where Springwater determines, in good faith, that the transaction fee is reasonable. 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 broker-dealer's services, including the value of research provided, execution capability, transaction rates, and responsiveness. Accordingly, although Springwater will seek competitive rates, it may not necessarily obtain the lowest possible rates for client account transactions

#### Brokerage Practices Under the Springwater Wealth Intelligent Portfolios Program

Client accounts enrolled in the SWIP Program are maintained at, and receive the brokerage services of, Schwab, a broker-dealer registered with the SEC and a FINRA/SIPC member. While clients are required to use Schwab as custodian/broker to enroll in the Program, you decide whether to do so and open your account with Schwab by entering into an account agreement directly with Schwab. Springwater does not open the account for you. If you do not wish to place your assets with Schwab, then Springwater cannot manage your account through the SWIP Program. Schwab may aggregate purchase and sale orders for ETFs across accounts enrolled in the Program, including both accounts for Springwater's clients and accounts for clients of other independent investment advisory firms using the Platform.

As described above under Item 4, Springwater does not pay SPT fees for the Platform so long as we maintain \$100 million in client assets in accounts at Schwab that are not enrolled in the SWIP Program. In light of our arrangements with Schwab, we may have an incentive to recommend that clients maintain their accounts with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of transactions. This presents a conflict of interest. When making such a recommendation, however, we believe that our recommendation of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that benefit only us. Springwater's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

#### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Springwater may receive from Schwab (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Springwater to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Springwater 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 and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Springwater in furtherance of its investment advisory business operations.

Springwater's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by Springwater to Schwab 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 a result of the above arrangement. Springwater's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.



Without limiting the above, Schwab provides Springwater and our clients, both those enrolled in the SWIP Program and clients not enrolled in the Program, with access to its institutional brokerage services – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers.

#### Products and Services Available to Springwater from Schwab through Schwab Advisor Services

In addition, and without limiting the foregoing, Springwater is a participating member in Schwab Advisor Services which is Schwab's business serving independent investment advisory firms like Springwater. Schwab provides Springwater and its clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help Springwater manage or administer its clients' accounts while others help Springwater manage and grow its business. Schwab's support services are generally available on an unsolicited basis, (Springwater does not have to request them) and at no charge to Springwater as long as it keeps a total of at least \$10 million of its clients' assets in accounts at Schwab. If Springwater has less than \$10 million in client assets at Schwab, Springwater may incur quarterly service fees. Below is a more detailed description of Schwab's support services:

#### Services that Benefit the Client

Schwab'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 Schwab include some to which Springwater might not otherwise have access or that would require a significantly higher minimum initial investment by its clients. Schwab's services described in this paragraph generally benefit clients' account.

#### Services that May Not Directly Benefit the Client

Schwab also makes available to us other products and services that benefit Springwater but may not directly benefit the client or the clients' account. These products and services assist Springwater in managing and administering Springwater's clients' accounts. They include investment research, both Schwab's own and that of third parties. Springwater may use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

#### Services that Generally Benefit Only Springwater

Schwab also offers other services intended to help us manage and further develop Springwater's business enterprise. These services include:

- educational conferences and events
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to Springwater. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide Springwater with other benefits such as occasional business entertainment of our personnel.

Referrals from Broker-Dealers Springwater does not receive referrals from broker-dealers.

#### Directed Brokerage

Springwater does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Springwater will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Springwater. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.



**Please Note:** In the event that the client directs Springwater to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Springwater. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. Springwater's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

### **12B. Aggregating Trades**

Transactions for each client account generally will be effected independently, unless Springwater decides to purchase or sell the same securities for several clients at approximately the same time. Springwater may (but is not obligated to) combine or "batch" such orders for individual equity transactions (including ETFs) with the intention to obtain better price execution, to negotiate more favorable commission rates, or to allocate more equitably among Springwater's clients differences in prices and commissions or other transaction costs that might have occurred had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. In the event that Springwater becomes aware that a Springwater employee seeks to trade in the same security on the same day, the employee transaction will either be included in the "batch" transaction or transacted after all discretionary client transactions have been completed. Springwater shall not receive any additional compensation or remuneration as the result of such aggregation.

## **ITEM 13 – REVIEW OF ACCOUNTS**

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### **13A. Periodic Reviews**

Accounts are reviewed by James L. Corbeau, Terence A. Donahe, or investment advisor representatives of the firm. For investment management and wealth management clients, the frequency of reviews is determined based on your investment objectives, but no less than annually.

Financial planning clients receive their financial plans and recommendations at the time the service is completed. In cases where ongoing financial planning is arranged, reviews and their frequency will be detailed in the agreement with the client.

### **13B. Review Triggers**

More frequent reviews may be triggered by a change in a client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or changes in economic climate.

### **13C. Regular Reports**

All investment management and wealth management advisory clients receive, at a minimum, annual reports from Springwater.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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### **14A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

As indicated at Item 12 above, Springwater may receive from Schwab without cost (and/or at a discount), support services and/or products. Springwater clients do not pay more for investment transactions effected and/or assets maintained at Schwab as result of this arrangement. There is no corresponding commitment made by Springwater to Schwab, or to any other entity, to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangements. **ANY QUESTIONS: Springwater's Chief Compliance Officer is available to address any questions that a client or prospective client may have regarding the above arrangements and the corresponding conflict of interest presented by such arrangements.**

### **14B. Compensation to Non-Advisory Personnel for Client Referrals**



Springwater does not maintain solicitor arrangements/pay referral fee compensation to non-employees for new client introductions.

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## ITEM 15 – CUSTODY

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Springwater shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Springwater may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that Springwater provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Springwater with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Springwater’s advisory fee calculation.

Springwater provides other services on behalf of its clients that require disclosure in ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the qualified custodian to rely upon instructions from Springwater to transfer client funds to “third parties”. In accordance with the guidance provided in the SEC Staff’s February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

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## ITEM 16 – INVESTMENT DISCRETION

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Springwater asks our clients to give us discretionary authority to execute transactions without our client’s prior approval. These transactions may include the purchase and selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account. Clients who engage Springwater on a discretionary basis may, at any time, impose restrictions, **in writing**, on Springwater’s discretionary authority. (i.e., limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Springwater’s use of margin, etc.).

In certain circumstances, and in our sole discretion, we will arrange for non-discretionary authority over our clients’ accounts. Non-discretionary authority requires us to obtain a client’s prior approval of each specific transaction prior to executing investment recommendations.

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## ITEM 17 – VOTING CLIENT SECURITIES

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The clients of Springwater retain the authority to proxy vote. Clients should ensure that proxy ballots are mailed directly to them by selecting this option on their custodial account application forms. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and (2) making all elections, decisions, and filings relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other type actions or events pertaining to the client’s investment assets. Clients are welcome to delegate said proxy voting authority to a third-party representative (non-advisory personnel) by filing the appropriate custodial form.

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## ITEM 18 – FINANCIAL INFORMATION

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### 18A. Balance Sheet

Springwater does not solicit prepayment of more than \$1,200 in fees per client more than six (6) months in advance.

### 18B. Financial Conditions

Springwater has no financial issues that could impair our ability to carry out our fiduciary duty to our clients.



### **18C. Bankruptcy Petition**

Springwater has never been the subject of a bankruptcy petition.

## **MISCELLANEOUS**

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### Business Continuity Plan

Springwater has in place a Business Continuity Plan designed to mitigate the impact of significant business disruptions, such as the loss of office space, communications, services or key people, on our company and our clients.

If we find it necessary to temporarily move our operations, we will attempt to notify our clients by telephone or email. Clients should understand that this may take from 24 to 48 hours.

A complete copy of our Business Continuity Plan may be viewed in our office during regular business hours.

### Privacy Statement

Springwater Wealth Management, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of non-public information that we collect from you may include information about your personal finances, information about your health (to the extent that it is needed for the financial planning process), and information about transactions between you and third parties. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, mortgage lenders and other professionals with whom you have established a relationship. You may opt out from our sharing information with these non-affiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We do not provide your personal information to mailing list vendors or solicitors.

We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants and auditors. Federal and state securities regulators may review our company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a hardware firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Statement to you annually, in writing.

**ANY QUESTIONS:** Springwater's Chief Compliance Officer is available to address any questions regarding this Part 2A.