



**Carlson & Company Financial Services LLC  
dba Carlson Financial**

(IARD#: 295907)

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This Brochure provides information about the qualifications and business practices of Carlson & Company Financial Services LLC dba Carlson Financial (“Carlson Financial,” “Firm,” “We”). If the reader has any questions about the contents of this Brochure, please contact the Chief Compliance Officer via telephone at (844) 227-5766. 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 Carlson Financial also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an adviser provides information about which a prospective client might determine to hire or retain an adviser.

**Date: March 24, 2025  
Form ADV Part 2a**

## Item 2 – Material Changes

Carlson Financial is required to identify any material changes in the way we do business by filing this Disclosure Brochure. This disclosure document was previously updated on March 28, 2024.

The following are the material changes reflected in this disclosure document:

None at this time.

In the future, we will ensure that clients of the Firm will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the Firm's fiscal year.

**DISCLOSURES:** Carlson Financial may, at any time, update this Disclosure Brochure. A copy of the Disclosure Brochure or an offer to send a copy of this Disclosure Brochure (either by electronic means (e-mail) or in hard copy form) may be sent if a material change occurs in the future. A person may view the current Disclosure Brochures on-line at the SEC's Investment Adviser Public Disclosure website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select the option for a "Firm" search and enter 295907 (Carlson Financial's CRD number) in the field labeled "Firm Name or CRD/SEC#". This will provide access to Form ADV Part 1 and Part 2a Disclosure Brochure.

A person may request a copy of this Disclosure Brochure at any time by contacting the Chief Compliance Officer via email at [info@carlsonfinancial.com](mailto:info@carlsonfinancial.com) or via telephone at (844) 227-5766. There is no charge for this service.

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## Item 4 – Advisory Business

### COMPANY HISTORY & PRINCIPALS

**Carlson & Company Financial Services LLC** (“Carlson Financial or the “Firm” “we” or “us”) is a limited liability company formed in the State of Kansas. Carlson Financial is a retirement planning and wealth management firm serving the pre-retirees and retirees of Northeast Kansas, Colorado Springs, Colorado, Virginia Beach and Richmond, Virginia areas. Carl Carlson, CEO & Founder of Carlson Financial has dedicated his entire career to the financial services industry and started the business in 2012. He strives to offer clients the most advanced products and strategies available. Carlson Financial has been an independent investment adviser registered with the SEC since July 12, 2018.

The Firm is owned 10% by Advisor Support Network and 90% by Carlson Financial Holdings LLC. Carlson Financial Holdings LLC is owned 90% by Carl Carlson, its founder.

### FIDUCIARY DUTY

Carlson Financial serves as a fiduciary to its clients. As established by the Investment Advisers Act of 1940, we adhere to a fiduciary standard which requires investment advisers to provide advice based on a client’s unique situation and objectives. It also requires investment advisers to act in the best interest of the client, placing the client’s interests ahead of our own. Our fiduciary duty is to our clients alone. Carlson Financial is not affiliated with any broker-dealer, custodian, bank, insurance company, or mutual fund company.

### FINANCIAL PLANNING

Carlson Financial begins every client relationship by providing financial planning services to its clientele. Financial planning is an evaluation of a client’s current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. Clients who engage Carlson Financial as investment adviser will receive a written report providing the client with a detailed financial plan designed to assist the client in achieving stated financial goals and objectives.

### INVESTMENT ADVISORY SERVICES

Carlson Financial provides investment advisory services to individuals, trusts, small businesses, family offices, endowments, and other institutional clients through separately managed accounts. Continuous advice is provided to a client regarding the investment of client funds and is based on the recommendations outlined in the client’s financial plan. Investment selection and monitoring is executed by the Firm’s Chief Investment Officer and the Investment Team members.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and may include advice regarding the following types of securities: exchange-listed securities, securities traded over-the-counter, foreign issuers, corporate debt securities (other than commercial paper), commodities, municipal securities, mutual fund (institutional shares), United States governmental securities, options, alternative investments and/or annuities. Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability. Carlson Financial does not participate in or sponsor a wrap fee program.

### IRA ROLLOVER CONSIDERATIONS

As part of our consulting and advisory services, we provide you with recommendations and advice concerning your employer retirement plan or other qualified retirement account. When appropriate, we recommend that you withdraw the assets from your employer's retirement plan or other qualified retirement account and roll the assets over to an individual retirement account ("IRA") that we will manage. If you elect to roll the assets to an IRA under our management, we will charge you an asset-based fee as described in Item 5.

This practice presents a conflict of interest because our investment advisory representative has an incentive to recommend a rollover to you for the purpose of generating fee-based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Furthermore, if you do complete the rollover, you are under no obligation to have your IRA assets managed by us. You have the right to decide whether or not to complete the rollover and the right to consult with other financial professionals.

#### PLATFORM PROVIDERS & THIRD-PARTY MONEY MANAGERS

Carlson Financial has engaged a new third-party service provider to support us in our service to clients. AE Wealth Management LLC (“AEWM”) will provide back-office operation services to our clients. Services provided include but are not limited to fee billing, account monitoring, client reporting, technological and marketing services. Investment selection and monitoring will continue to be performed by our Chief Investment Officer and the Investment Team members.

AEWM also offers us access to various third-party money managers, model portfolios and portfolio strategists (collectively, “Model Managers”) who we might engage to service client accounts in the future. Carlson Financial does not utilize the Model Managers available to it from AEWM. In the future, if it is determined that using the available Model Managers were in the best interest of our clients, Carlson Financial would be responsible for the selection of the underlying model portfolios in which client accounts would be invested. AEWM would be responsible for trading the selected model portfolios. Client’s will be notified of such a change in advance and the Disclosure Documents for the underlying Model Managers will be provided to clients should Carlson Financial determine this investment strategy be in a client’s best interest.

#### ASSETS UNDER MANAGEMENT

As of March 21, 2025, Carlson Financial has \$546,695,880 in discretionary assets under management and no non-discretionary assets under management.

### **Item 5 – Fees and Compensation**

It is Carlson Financial’s goal to provide comprehensive financial planning and analysis to its clients which will then yield an appropriate portfolio investment recommendation. The Firm would then provide ongoing investment management, portfolio monitoring and financial plan management services. Clients are typically required to have a minimum household balance of \$250,000 per account to have assets managed by Carlson Financial. Household minimums may be waived at the Firm’s discretion.

#### ASSET-BASED FEES

All clients will pay an asset-based Annual Advisory Fee which will be charged and collected monthly, in arrears, based upon the average daily balance in the client’s account during the billing period. Many factors determine proposed fees rates, including size, complexity, and composition of the services to be provided. While fees are negotiable based upon these factors, Carlson Financial’s investment advisory fee structure is based on assets under management. The Advisory Fees paid by a client will not exceed 3.00% per annum. The Advisory Fee to be paid by a client will be reflected in the Investment Advisory Agreement signed by the client and a representative of Carlson Financial.

#### FLAT, ANNUAL FEES

In certain circumstances, the Firm may assess a flat, annual fee for advisory services that will not exceed \$250,000 for ultra, high-net-worth clients if requested. The negotiation of a flat, annual fee will be based on the size, scope and services requested by the client. Upon execution of the client agreement, the initial prorated fee for the remainder of the calendar quarter will be assessed and collected. One quarter of the annual fee will then be assessed and collected at the end of each calendar quarter for the upcoming quarter.

#### THIRD-PARTY MONEY MANAGERS

In the event, Carlson Financial determines it would be in the client’s best interest to utilize the services of a third-party Model Manager available through the AEWM Platform, clients will be notified in advance of the change in strategy and will receive the Disclosure Documents for the Model Manager. It should be noted that the investment management fees charged by a Model Manager are separate and in addition to the Annual Advisory Fee charged by Carlson Financial.

## FEE TERMS

The following terms apply to client accounts with asset-based fees as well as flat, annual fees:

***All advisory fees and household minimums are subject to negotiation.*** Carlson Financial may offer discounted rates to its employees and their families as well as to institutional and ultra, high-net-worth clients with substantial account balances.

Advisory fees are not inclusive of brokerage commissions, transactions fees and other related costs and expenses which shall typically be incurred in a client's account(s). Mutual funds, exchanged-traded funds, and annuities all charge internal management fees and other expenses, which are disclosed in a fund's or annuity's prospectus or equivalent disclosure document and are directly deducted from the value of such investment vehicles. Carlson Financial does not retain 12b-1 fees or other sales charges and commissions on the accounts of advisory clients.

The specific way advisory fees are charged and how much is charged by the firm is established in a client's written agreement with Carlson Financial. Annual Advisory Fees are typically debited by the custodian from a client's custodial account and remitted by the custodian to us.

Upon termination of any account, any prepaid, unearned fees will be refunded, and any earned, unpaid fees will be due and payable. If a client terminates their Agreement within five (5) business days of its signing, the client shall receive a full refund of all fees and expenses. If this Agreement is terminated after five (5) business days of its signing, upon the client's request, any prepaid fees will be prorated, and the unused portion be returned to the client.

The client will provide written authorization permitting the fees to be paid directly from client accounts held by the qualified custodian. Further, the qualified custodian agrees to deliver an account statement at least quarterly directly to the client, indicating all the amounts deducted from the account, including all advisory fees. Clients are encouraged to review their account statements for accuracy.

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

Carlson Financial will not charge performance-based fees where an adviser's fee would be based on a share of capital gains or capital appreciation of the client assets. As such, there are no conflicts of interest to disclose currently.

## **Item 7 – Types of Clients**

As described in Item 4, Carlson Financial provides investment advisory services to individuals, trusts, small businesses, family offices, endowments, and other institutional clients through separately managed accounts. Clients are typically required to have a minimum household balance of \$250,000 to have assets managed by Carlson Financial. ***All advisory fees and household minimums are subject to negotiation.***

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

### INVESTMENT PHILOSOPHY

Carlson Financial primarily employs a cash flow based financial planning process to drive investment recommendations for our clients. We manage discretionary portfolios for clients based on the objectives of their financial plans. In these portfolios we primarily use a combination of equities and exchange-traded funds. Our strategies seek a balance between maximizing long-term returns and achieving reliable income, all according to our clients' financial plans.

### METHODS OF ANALYSIS

Carlson Financial may use any of the following methods of analysis in formulating their investment advice and/or managing client assets:

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. Doing so presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. Doing so presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a stock against the overall market in an attempt to predict the price movement of the security.

**Quantitative Analysis.** We use mathematical models to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development, factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**ETF Analysis.** We look at the experience and track record of the manager of the ETF to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We look at the underlying assets in an ETF to determine if there is significant overlap in the underlying investments held in other fund(s) in the client's portfolio. We also monitor the funds to determine if they are continuing to follow their stated investment strategy. A risk of ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund, which could make the holding(s) less suitable for the client's portfolio.

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

## INVESTMENT STRATEGIES

Carlson Financial may use any of the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance and time horizon.

**Long-term purchases.** Carlson Financial may purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

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

**Tactical asset allocation.** With this strategy, Carlson Financial may use a range of percentages in each asset class; minimum and maximum percentages permit clients to take advantage of market conditions within these parameters. The percentages are guidelines only.

**Strategic asset allocation.** Carlson Financial will set target allocations with this strategy, which will be periodically rebalanced to maintain desired allocation percentages. The allocation may change over time as clients' objectives change.

## RISK OF LOSS

Based upon Carlson Financial's analysis of the client's financial situation and financial plan, the Firm will recommend an appropriate investment strategy for the client's accounts; however, all investment strategies have a risk of loss. Investing in securities involves certain risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. While risk can be, and by common industry practice often is, measured by the degree of unpredictability of a given portfolio's return in any given period, it also includes the possibility of losing some or all an original investment. Even the most conservative investment strategy is subject to risk.

***All investment programs carry the risk of loss and there is no guarantee that any recommended investment strategy will meet its objectives.***

All investment strategies inherently expose our clients to various types and varying degrees of risk. Below, we discuss those risks in greater detail:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can go up or down after various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Derivatives Risk.** Investments in futures and options are considered "derivative" investments. A small investment in derivatives could have a potentially large impact on performance. The use of derivatives involves risks different from or possibly greater than the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value. There is the risk that the hedging technique will fail if changes in the value of a derivative held do not correlate with the portfolio securities being hedged.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Risks Related to Investment Term.** If a client requires a liquidation of their portfolio during a period in which the price of the security is low, the client may not realize as much value as they might have had the investment had the opportunity to regain its value, as investments frequently do, or had it been able to be reinvested in another security.
- **Purchasing Power Risk.** Purchasing power risk is the risk that an investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** Many investments, including many Index Funds and Target-Date Funds, contain interests in operating businesses. Business risks are risks associated with an industry or a company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.



• **Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.

• **Financial Risk.** Many investments, including many Index Funds and Target-Date Funds, contain interests in operating businesses. Excessive borrowing to finance a business' operations decreases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

• **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.

• **Management Risk.** Investments may vary with the success and failure of investment strategies selected and implemented by the management of this Firm. If investment strategies do not produce the expected returns, the value of investments may decrease.

## **Item 9 – Disciplinary Information**

Carlson Financial does not have any legal, financial or other disciplinary item to report. We are obligated to disclose any disciplinary event that could be material to a client or perspective client when evaluating to initiate a Client/Adviser relationship, or to continue a Client/Adviser relationship with the Firm. This statement applies to Carlson Financial and all registered investment adviser representatives (“IARs”) of the Firm.

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

### OTHER ACTIVITIES

Mr. Carlson and the IARs of the Firm are independently licensed insurance agents who can sell insurance products like life, health, long term care, and disability insurance as well as fixed indexes annuities. We will recommend such products to a client if appropriate for a client's financial or investment related needs. A client's IAR will provide advice on the appropriate underlying investment in an insurance product as part of our ongoing services. Advisory clients are under no obligation to use these products. Compensation provided to insurance agents includes commissions, bonuses and ongoing commission trials and are separate from the advisory services of Carlson Financial. The Firm does not charge an advisory fee on assets held in an annuity product but will provide direction on the appropriate underlying investments.

Carlson Financial maintains professional business relationships with various legal, accounting, recordkeeping, third-party administrators (TPAs) and other investment advisory and consulting firms both locally and around the country. These informal relationships are created to share industry information and insight. We do not receive a referral fee for these referrals.

### THIRD-PARTY INVESTMENT ADVISERS

At this time, Carlson Financial does not recommend third-party model managers as a part of their strategy. All investment decisions and ongoing due diligence of third-party model managers would be performed by the Firm's Chief Investment Officer and the members of the Investment Team.

### SOLICITATION ARRANGEMENTS

Carlson Financial does not currently participate in any solicitation arrangements.

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

The employees of Carlson Financial have committed to a Code of Ethics that establishes a high standard of integrity and professional ethics when conducting business with the Firm, its clients and its business vendors and partners. All Firm associates are required to review and sign a formal Code of Ethics adopted to comply with Rule 204(A)-1 of the Advisers Act.

Our Code of Ethics provides for 1) a high ethical standard of conduct; 2) compliance with all federal and state securities laws; and 3) policies and procedures for the reporting of personal securities transactions on a quarterly basis. The Chief Compliance Officer reviews on a regular basis all employee reportable personal trading accounts. The Chief Compliance Officer's trades are reviewed by the Chief Executive Officer or his designee. These reviews help ensure that the personal trading of employees complies with the Firm's Code of Ethics.

Carlson Financial does not recommend to clients any securities in which the Firm or its related persons have a material financial interest. It should be noted that some employees of Carlson Financial can be considered clients of the Firm and will have their personal trading accounts managed by the Firm alongside its client's accounts. We do not feel this presents a conflict of interest because the minimal exposure that Carlson Financial's overall ownership of these securities (through client and employee accounts) would not have a significant impact on their pricing given the large capitalization and market liquidity of the securities recommended.

A copy of the Code of Ethics is available to our advisory clients upon written request to our office by contacting the Chief Compliance Officer via email at [info@carlsonfinancial.com](mailto:info@carlsonfinancial.com) or via telephone at (844) 227-5766.

## **Item 12 – Brokerage Practices**

For Carlson Financial's advisory clients, the Firm will recommend a custodian who is a nationally-known qualified custodian. The Firm will not maintain custody of client accounts. The primary factors that will determine our recommending a custodian to a client are, in no specific order, 1) commission cost; 2) automation and technology; 3) services for independent RIAs; 4) proper registration with SRO; 5) execution capabilities, and; 6) client preferences. We are not affiliated with any custodian who we have recommended.

We will recommend broker-dealers and custodians to clients of the Firm in need of these services. We will normally only recommend those custodians where the Firm has a business relationship that enables efficient and cost-effective access to brokerage services to facilitate the discretionary portfolio management services of the Firm. No client is obligated to use any recommended custodian. In circumstances where a client wants to remain with their current custodian who is not a recommended custodian of Carlson Financial, we will provide advisory services to such a client. There is no advisory fee surcharge for any operational inconvenience to us.

At this time, for Carlson Financial's advisory clients, the recommended custodian will be Fidelity Clearing & Custody Solutions, a division of Fidelity Investments Inc. (the "custodian"), a registered broker-dealer, member SIPC, who will maintain custody of clients' assets and effect trades for their accounts.

### **RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

Carlson Financial's advisory business does not have any formal or informal arrangements or commitments to obtain any research or research-related products or services on a soft-dollar basis. However, due to the institutional relationships we have with our recommended custodian, we do receive services that assist us in managing and administering clients' accounts. These services may include software and other technology that (i) provide access to client data; (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its client accounts; and (v) assist Portfolio Operations with back-office functions, recordkeeping and client reporting. Additionally, recommended custodians may provide third-party research, publications, access to educational conferences, roundtables and webinars or practice management resources.

### **BROKERAGE FOR CLIENT REFERRALS**

Carlson Financial does not receive client referrals from its custodians.

## CLIENT DIRECTED BROKERAGE

Carlson Financial does not permit client-directed brokerage. All advisory clients should understand that any custodian recommendation made by the Firm is a conflict of interest, as we anticipate continual operational relationships with the custodians that we recommend. Carlson Financial does limited due diligence reviews of these firms, all of which are well-established, nationally recognized broker-dealer/custodians; we recommend them as a convenience to our clients.

## OTHER ECONOMIC BENEFITS

Carlson Financial's recommended custodian will maintain custody of clients' assets and will be engaged to effect trades for client accounts. The final decision of who to custody assets with is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder.

Carlson Financial is independently owned and operated and not affiliated with any custodian. The recommended custodian provides us with access to its institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a minimum of \$10 million of our clients' assets are maintained in accounts at that custodian. Institutional custody services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. For client accounts maintained in its custody, the custodian generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fee.

Custodians also make available to an adviser other products and services that benefit the adviser but may not benefit its clients' accounts. These benefits may include national, regional or educational events organized and/or sponsored by Fidelity Investments Institutional Services Company Inc. Benefits may include occasional business entertainment of personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other products and services assist the Firm in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of advisory fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our client accounts.

Additional services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, the custodian may make available, arrange and/or pay vendors for these types of services rendered to an adviser by independent third parties. The custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. While, as a fiduciary, Carlson Financial endeavors to act in its clients' best interests, the recommendation that clients maintain their assets in accounts with the recommended custodian may be based in part on the benefit to us, the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

## TRADE AGGREGATION

Transactions for each client account generally will be executed independently unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. Carlson Financial can, but is not obligated to, combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among its clients' differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and transaction costs and will be allocated among the clients in proportion to the purchase and sale orders placed for each client account on any given day. If we cannot obtain execution of all the combined orders at prices or for transactions costs that it believes are desirable, the Firm will allocate the securities that it does buy or sell as part of the combined orders by following order allocation procedures.

## **Item 13 – Review of Accounts**

Carlson Financial's Investment Team regularly monitors the investments in client accounts and performs at least quarterly reviews of account holdings for all clients. Client households are reviewed by their Financial Advisors and are reviewed for consistency with client investment strategy and objectives, compliance with investment restrictions provided by the client, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in a clients' personal, tax or financial status. We monitor on a continuous basis the securities we have recommended for client's portfolios.

Clients will receive monthly statements from the custodian for each household account held by the custodian. If the client's account has no activity, the custodian, at a minimum, will provide a quarterly statement. The custodian's statement will include information about the assets held in the account, the current value of each asset, as well as reflect the deduction of any fees from the client's account. Clients are encouraged to review their statements for discrepancies.

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

As a matter of policy and practice, Carlson Financial does not compensate any third-party persons, either individuals or entities, for the referral of advisory clients to the Firm. However, we do rely on the referral of prospective clients from our current clients. Current clients may receive a one-time gift for the referral of a prospective client.

## **Item 15 – Custody**

Client accounts will be held with a qualified custodian who will maintain custody of the client accounts. Carlson Financial will not maintain custody of clients' funds or securities, except for deducting the adviser fee from client(s)' accounts as authorized by the client in the executed advisory agreement. We are not affiliated with any third-party custodian and are not responsible for the errors made by the custodian.

Clients will receive monthly statements for each household account held by a custodian. If the client's account has no trading activity, the custodian will at a minimum provide a quarterly statement. The custodian's statement will include information about the assets held in the account, the current value of each asset, and will reflect the deduction of any advisory fees from the client's account. On a monthly basis, the Firm will submit an invoice to the custodian as well as to the client regarding the calculation of advisory fees. Clients are encouraged to compare the invoice to their statements for discrepancies. The method of delivery for accounts statements and invoices (postal service versus secure electronic delivery) is determined by the individual client.

## **Item 16 – Investment Discretion**

Carlson Financial receives discretionary authority from most of its clients at the outset of an advisory relationship to select the types of securities as well as the allocation of those securities in a client's account(s). This is documented via a client's execution of a written agreement between the parties. Additionally, the custodian will require the client to execute a limited power of attorney ("LPOA") when opening or turning over the custodial account to our management. The LPOA will grant us the authority to 1) trade securities on the client's behalf in the account, 2) authorize the disbursement of the quarterly investment advisory fee, and 3) authorize us to instruct the custodian to disburse a check or money electronic transfers from the client's custodial account to their address of record or, with additional paperwork signed by the client, to a bank account registered in the client's name. In the event a client requires the Firm to manage an account on a non-discretionary basis, we will not be able to trade a client's account without the client's written consent.

## **Item 17 – Voting Client Securities**

As a matter of Firm policy and practice, effective April 1, 2022, Carlson Financial will no longer accept authority to vote proxies on behalf of advisory clients. A complete copy of our proxy voting policy can be obtained by sending a request to the Chief Compliance Officer via email at [info@carlsonfinancial.com](mailto:info@carlsonfinancial.com) or via telephone at (844) 227-5766. If a client has a question regarding a proxy notice that they have received, they should speak with their investment adviser to review the content of the proxy. However, the decision as to how to vote a proxy will remain with the client.

## **Item 18 – Financial Information**

Registered Investment Advisers are required in this Item to provide certain financial information or disclosures about their financial condition. Carlson Financial has no financial commitment or condition that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

A balance sheet is not required to be provided because we do not serve as a custodian for client funds or securities and do not require prepayment of fees of more than \$1,200 per client six months or more in advance.

## **Privacy Policy & Notice**

### **March 2024**

**GUIDING PRINCIPLES:** Carlson & Company Financial Services LLC (“Carlson Financial”) places a high value on the relationships we have with our clients and prospective clients. We have adopted policies and procedures to protect the non-public personal information we have access to. We strive to maintain our clients’ trust and confidence in our company, an essential aspect of which is our commitment to protecting their personal information to the best of our ability. We believe that our clients and prospective clients value their privacy, so we have established this Privacy Policy and Notice to help us ensure that information about our clients and prospective clients will be handled in an appropriate manner. Generally, we will not disclose your personal information to anyone outside of Carlson Financial unless it is a fully vetted third party service provider who assists us in providing services to you or it is otherwise permitted by law.

**WHY YOU HAVE RECEIVED THIS NOTICE:** The reason you have received this notice is that you are either a current client, or you have contacted us about the services that we provide. This notice describes our practices and policies concerning how we handle information about you.

**THE PERSONAL INFORMATION THAT WE COLLECT, MAINTAIN, AND DISCLOSE:** Carlson Financial collects and maintains your personal information so we can provide investment advisory, financial planning and family wealth services to you. The types and categories of information we collect and maintain include personally identifiable financial information about you that we obtain in connection with providing financial services to you, including:

- Information we receive from you to open an account or provide investment advice to you (such as your home address, telephone number, and financial information);
- Information that we generate to service your account (such as trade tickets and account statements);
- Information about your transactions with us; and
- Information that we may receive from third parties with respect to you or your account (such as trade confirmations from brokerage firms or information from consumer reporting agencies).

**CATEGORIES OF NON-PUBLIC PERSONAL INFORMATION DISCLOSED:** Carlson Financial regards non-public personal information to be data such as your name, address, telephone/fax numbers, e-mail addresses, Social Security number, assets, income, investment objectives, risk tolerance, account numbers, account balances, transaction history, beneficiary information, bank account information, and credit card information, as well as any health and medical information.

**UNAFFILIATED THIRD PARTIES TO WHOM NON-PUBLIC PERSONAL INFORMATION IS DISCLOSED:** In order to assist us in servicing your account, there are non-affiliated third-party service providers with whom we share your non-public personal information. These parties may include financial service providers (such as companies that perform services on our behalf, including securities broker-dealers), non-financial companies (such as our technology consultants who assist us in maintaining our computer systems or entities that assist us in mailing your account materials to you), and other non-affiliated third parties to whom disclosure of non-public personal information is permitted by law (such as the Internal Revenue Service for tax purposes).

As we only share your non-public personal information as permitted by current federal and/or state statutes and law, and as we will not share your non-public personal information with non-affiliates, we have not provided an Opt-Out form.

**CATEGORIES OF INFORMATION ABOUT FORMER CLIENTS THAT ARE DISCLOSED TO NON-AFFILIATES:** If you choose to close your account(s) or become an inactive client, we will adhere to this Privacy Policy with respect to your non-public personal information. Non-public personal information about former clients will not be treated any differently than information about our current clients.

**HOW WE PROTECT OUR CLIENTS’ PERSONAL INFORMATION:** Carlson Financial will make every effort to ensure that client and company-related information remains confidential. Staff is expected to refrain from discussing client relationships outside of the office. Physical client files will be kept in an organized and secure fashion. Employees are expected to make every effort to keep client-specific information out of plain sight of office visitors. Except where required by law or whenever deemed necessary to transact business on behalf of the client, Carlson Financial and its employees are not to disclose any detailed “personally identifiable information” to any individual, group or reporting agency without the consent of the client. Carlson Financial operates a cloud-based work environment

If you have any questions regarding our privacy policy, please do not hesitate to call and the Firm’s Chief Compliance Officer via email at [info@carlsonfinancial.com](mailto:info@carlsonfinancial.com) or via telephone at (844) 227-5766. We thank you for your continued patronage.