

# Strada Wealth Management, LLC

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Strada Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (866) 526-7098 or by email at: [jfailla@stradamanagement.com](mailto:jfailla@stradamanagement.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 Strada Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Strada Wealth Management, LLC's CRD number is: 167718.*

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*Registration does not imply a certain level of skill or training.*

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## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our annual updating amendment, dated March 28, 2018 we have made the following material changes to our Form ADV when we filed our 2019 annual update on March 26, 2019:

Effective January 1, 2019, we have implemented new billing models. These include:

**1. Integrated model** - all inclusive, client pays tiered fees based on total AUM. Minimum qualifications include portfolio values of \$250,000.

We will maintain discretion authority over your account, require you to use the brokerage and custodial services of TD, and will provide portfolio construction, automatic rebalancing, access to the Dimensional Fund Advisors family of funds and back office support (such as RMD distribution, all paperwork).

**2. Independent Model** - after initial financial plan is complete (billed at \$2,500). There is a yearly subscription service for \$2,400. Paid quarterly, billing model offers comprehensive planning without discretionary authority.

Subsequent to our March 26, 2019 Annual Updating Amendment we made additional updates to our Disclosure Brochure. As of July 23, 2019 we have eliminated the **Second Set Planning** and revised our fees for the Independent Model which are now reflected above and in Item 5 below.

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## Item 4 Advisory Business

### A. Description of the Advisory Firm

Strada Wealth Management, LLC is a Limited Liability Company organized in the State of Florida. The firm was originally formed in May 2009 in Texas as Failla Financial Management and was reorganized as a Florida LLC and renamed as Strada Wealth Management, LLC in January 2014. The principal owner is Jennifer Rebecca Failla.

### B. Types of Advisory Services

Strada Wealth Management, LLC (hereinafter "SWM") offers the following services to advisory clients:

#### **STRATEGIC WEALTH PLANNING**

Our Strategic Wealth Planning incorporates various aspects of financial planning and portfolio management including: retirement and income planning; investment planning; social security and Medicare planning; tax planning and organizational; philanthropic planning; and, estate and legacy planning among others.

We begin the process with an initial meeting to determine the scope of the services to be provided, and we will then enter into an agreement for one of our model services listed below and then gather the relevant information necessary to assist you in determining your specific needs, goals, objectives, and tolerances for risk. Depending on the model selected, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial data. We offer three different Strategic Wealth Planning models:

- **Integrated Planning Model**

Our Integrated Planning Model is a comprehensive planning and management service. It includes financial planning, portfolio construction and management, automatic rebalancing, and access to Dimensional Fund Advisors' family of Funds. Additionally, we provide assistance with all back office type support services such as making your required minimum distributions from your retirement plans, tax organization, charitable planning and general financial guidance. Financial planning services may include, but are not limited to: investment planning, life insurance analyses; tax concerns; retirement planning; social security review; college planning; and debt/credit review.

Portfolio management is provided via discretionary authorization whereby we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction.

Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, and/or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. We require you to use TD Ameritrade for portfolio management. See Item 12, *Brokerage Practices*, for more information.

- **Independent Planning Model**

Our Independent Planning Model provides comprehensive planning without any discretionary authority to reengage in portfolio management. We will prepare a financial plan for you and, where appropriate, we may provide you with recommendations to change your asset allocation in an effort to remain consistent with your stated financial objectives. You are free at all times to accept or reject any of our investment recommendations. You are solely responsible for implementing our recommendations. We will not execute any transactions or changes in asset allocation on your behalf. Additionally, our

Independent Planning Model offers financial consulting services that primarily involve advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation.

### **DIVORCE PLANNING**

In addition to services described above, Ms. Failla is also a Certified Divorce Financial Analyst and specializes in helping people make sustainable financial decisions around marital life transition matters. Services provided in connection therewith include prenuptial agreements, settlement negotiations in divorce and family mediation. Strada Wealth Management, LLC charges a fee for these services. Please note that when a client uses Jennifer Failla for mediation or Collaborative Law services and Ms. Failla acts as the neutral financial party, transfer to Strada Wealth Management is not an option for post-divorce financial planning.

### **SELECTION OF OTHER ADVISERS**

As part of our investment advisory services, we may recommend that you use the services of a third party money manager ("MM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific MM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the MM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will periodically monitor the MM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The MM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire MM(s) and/or reallocate your assets to other MM(s) where we deem such action appropriate.

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

SWM generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, insurance products including annuities, private placements, and government securities. SWM may use other securities as well to help diversify a portfolio when applicable.

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

SWM offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SWM from properly servicing the client account, or if the restrictions would require SWM to deviate from its standard suite of services, SWM reserves the right to end the relationship.

### **D. Wrap Fee Programs**

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

## E. Amounts Under Management

As of March 1, 2019, we provide continuous management services for \$13,062,806 in client assets on a discretionary basis, and \$561,261 in client assets on a non-discretionary basis.

## Item 5 Fees and Compensation

### A. STRATEGIC WEALTH PLANNING FEES

Certain Legacy clients will continue to be billed under the terms of their existing contracts unless they decide to migrate to one of our new models and execute new agreements with our firm.

#### Integrated Planning Model

Our firm fee starts at 1% of assets we manage under \$1 million dollars and decreases as the portfolio size increases. Our average client pays 0.5% for comprehensive planning and portfolio management. We charge a \$400 initial consultation fee which we may, in our sole discretion, decide to reduce or waive upon execution of the Agreement.

Total Assets Advised Upon	Percentage of AUM
Up to \$250,000	1.00 %
\$250,001 - \$500,000	0.90%
\$500,001 - \$750,000	0.80%
\$750,001 - \$1,000,000	0.70%
\$1,000,001 - \$1,250,000	0.65%
\$1,250,000 - \$1,500,000	0.60%
\$1,500,001 - \$1,750,000	0.50%
\$1,750,001 - \$2,000,000	0.40%
\$2,000,001 - \$3,000,000	0.30%
\$3,000,001 +	Negotiable

In general, our Integrated Planning Model has a minimum account size of \$250,000. However we retain the right to waive or lower this minimum in our sole discretion.

Advisory fees are withdrawn directly from the client's accounts with client's written authorization or may be invoiced and billed directly to the client; clients may select the method in which they are billed. SWM uses an average of the daily balance in the client's account throughout the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based. Clients may terminate the contract without penalty, for full refund of the advisor's fees, within five business days of signing the contract. Thereafter, clients may terminate the contract at any time upon written notice. You will be responsible for a prorated fee based on services performed prior to termination of the Integrated Planning agreement.

- **Independent Planning Model**

Initial plans cost \$2,500. We charge a \$400 initial consultation fee which we may, in our sole discretion, decide to reduce or waive upon execution of the Agreement. After the initial plan is established, comprehensive planning services will continue for only \$200 per month with an annual subscription. Meetings are held as often as needed per client circumstances and desires.

You may terminate the Independent Planning agreement upon written notice to our firm. You will be responsible for a prorated fee based on services performed prior to termination of the Independent Planning agreement.

### **DIVORCE PLANNING FEES**

We charge an hourly rate for Divorce Planning. The initial hourly consultation is billed at \$400 per hour. Thereafter, we charge between \$325 - \$375 per hour based on complexity of the services required. Our Divorce Planning fee is billed monthly until the divorce is finalized, at which time our services will automatically cease.

### **SELECTION OF OTHER ADVISERS**

Our recommendations to use third party money managers are included in our portfolio management fee. We do not charge you a separate fee for the selection of other advisers but we will share the advisory fee with the MM.

## **B. Payment of Fees**

### **Payment of Investment Supervisory Fees**

Advisory fees are withdrawn directly from the client's accounts with client's written authorization or may be invoiced to the client and paid by check. Clients may select the method in which they are billed. Fees are paid quarterly in arrears.

### **Payment of Financial Planning Fees**

Financial Planning fees are paid via check.

## **C. Clients Are Responsible For Third Party Fees**

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

## **D. Prepayment of Fees**

SWM collects its fees in arrears, not in advance.

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

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses.

You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. These transaction charges and brokerage fees include asset-based sales charges, service fees or 12b-1 fees, (or a combination thereof) for the sale or holding, of mutual funds. Because we may purchase mutual funds that pay 12b-1 fees to the broker-

dealer (or to the registered representative of the broker-dealer) we may not always be able to purchase the lowest cost funds that might be available and, therefore, may not be able to achieve what is known as "best execution." We do not have any incentive to purchase higher cost funds for you since we have no affiliation with the broker-dealer through whom we execute your trades and we are not registered representatives of the broker-dealer (and, consequently, we do not receive any part of those 12b-1 fees). However, when we recommend a higher cost share class to you, we do so because we believe it is better overall than one with a lower cost share class. For example, it may be the case that no other less expensive share class was available with the same quantity or quality of diversification, or the lower cost share class fund's management may not be as experienced in our opinion. These and other factors are considered along with the share class cost when we recommend a particular fund to you.

Although Ms. Failla is licensed as independent insurance agent, she is not presently selling insurance products. If she did so, she affirmatively states that she would not accept any commission-based compensation from such a sale. In the event Ms. Failla decides to sell insurance, you would be under no obligation, contractually or otherwise, to purchase such insurance products through Ms. Failla or any other person affiliated with our firm.

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

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

## **Item 7 Types of Clients**

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

- Individuals
- High-Net-Worth Individuals

### **Minimum Account Size**

In general, for our Integrated Planning Model, we require a minimum of \$250,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management.

We do not require a minimum dollar amount to open and maintain an advisory account; for our Independent Planning Model. However, we have the right to decline an account if it is below a minimum size which, in our sole opinion, is too small to effectively service.

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

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

#### **Methods of Analysis**

SWM's methods of analysis include charting analysis, fundamental analysis, and technical analysis.

**Charting analysis** involves the use of patterns in performance charts. SWM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.



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

**Technical analysis** involves the analysis of past market data; primarily price and volume.

### **Investment Strategies**

SWM uses long term trading, short term trading, short sales, margin transactions, and options trading (including covered options, uncovered options, or spreading strategies).

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

## **B. Material Risks Involved**

### **Methods of Analysis**

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundament analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

### **Investment Strategies**

Short term trading, short sales, margin transactions, and options trading generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

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

**Short term trading** risks include liquidity, economic stability and inflation, in addition to the long term trading risks listed above. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options** writing or trading involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

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

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

SWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize short sales, margin transactions, and options trading, which generally hold greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

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

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** The risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

**Fixed Income** is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

**Debt securities** carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

**Stocks & Exchange Traded Funds (ETFs):** Investing in stocks and ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy).

**Real Estate** funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

**Hedge Funds** are not suitable for all investors and involve a high degree of risk due to several factors that may contribute to above average gains or significant losses. Such factors include leveraging or other speculative investment practices, commodity trading, complex tax structures, a lack of transparency in the underlying investments, and generally the absence of a secondary market.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

**Private placements** carry a substantial risk as they are largely unregulated offerings not subject to securities laws. Liquidity risk and the absence of a secondary market are significant risk factors.

**Precious Metal ETFs** (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a "naked" or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

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

## **Item 9 Disciplinary Information**

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

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

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

There are no self-regulatory organization proceedings to report.

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

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

Jennifer Rebecca Failla has no other registrations.

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

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

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

Jennifer Rebecca Failla has no registration relationships that are material to this advisory business or which would present a conflict of interest.

Although Ms. Failla is licensed as independent insurance agent, she is not presently selling insurance products. If she did so, she affirmatively states that she would not accept any commission-based compensation from such a sale. In the event Ms. Failla decides to sell insurance, you would be under no obligation, contractually or otherwise, to purchase such insurance products through Ms. Failla or any other person affiliated with our firm.

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

We may recommend that you use a third party money manager ("MM") based on your needs and suitability. We will share the fee we charge you with the MM. You will not be charged an additional fee. We may, however, have an incentive to use a MM with whom we have a more favorable compensation arrangement. You are not obligated, contractually or otherwise, to use the services of any MM we recommend.

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

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

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

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

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

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

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

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

From time to time, representatives of SWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the

recommendations they provide to clients. Such transactions may create a conflict of interest; however, SWM will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **Item 12 Brokerage Practices**

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

Custodians are chosen based on relatively low transaction fees and access to mutual funds and ETFs. SWM will never charge a premium or commission on transactions, beyond the actual cost imposed by the custodian. TD Ameritrade is recommended by SWM.

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

SWM receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that SWM must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for SWM to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. SWM always acts in the best interest of the client. Clients should be aware that SWM's acceptance of soft dollar benefits may result in higher commissions charged to the client.

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

SWM and its related persons receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

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

SWM will allow clients to direct brokerage; however, SWM may recommend custodians. SWM may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage SWM may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices, should SWM maintain the ability to block trade purchase in the future. Not all investment advisers allow their clients to direct brokerage.

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

SWM does not maintain the ability to block trade purchases across accounts, which can cause more expensive trades for clients.

## **Item 13 Reviews of Accounts**

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

Client accounts are reviewed at least quarterly only by Jennifer Rebecca Failla, Principal and Founder. Jennifer Rebecca Failla is the chief advisor and is instructed to review client accounts with regard to clients' respective investment policies and risk tolerance levels. All accounts at SWM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Jennifer Rebecca Failla, Principal and Founder. There is only one level of review and that is the total review conducted to create the financial plan.

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

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

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

Each client will receive at least monthly a written report that details the client's account including assets held and asset value, which report will come from the custodian. Each client will receive the financial plan upon completion.

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

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

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

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

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

### **Item 15 Custody**

SWM, with client written authority, has limited custody of client's assets through direct fee deduction of SWM's fees only. If the client chooses to be billed directly by TD Ameritrade or the client's chosen custodian, SWM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

#### **Wire Transfer and/or Standing Letters of Authorization**

Our firm, or persons associated with our firm, may effect wire transfers from client accounts to one or more third parties designated, in writing, by the client without obtaining written client consent for each separate, individual transaction as long as the client has provided us with written authorization to do so. Such written authorization is known as a Standing Letter of Authorization. An adviser with authority to conduct such third party wire transfers on a client's behalf has access to the client's assets, and therefore has custody of the client's assets in any related accounts.

However, we do not have to obtain a surprise annual audit, as we otherwise would be required to by reason of having custody, as long as we meet the following criteria:

1. You provide a written, signed instruction to the qualified custodian that includes the third party's name and address or account number at a custodian;
2. You authorize us in writing to direct transfers to the third party either on a specified schedule or from time to time;

3. Your qualified custodian verifies your authorization (e.g., signature review) and provides a transfer of funds notice to you promptly after each transfer;
4. You can terminate or change the instruction;
5. We have no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party;
6. We maintain records showing that the third party is not a related party to us nor located at the same address as us; and
7. Your qualified custodian sends you, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

We hereby confirm that we meet the above criteria.

## **Item 16 Investment Discretion**

For those client accounts where SWM will have investment discretion, the client has given SWM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides SWM discretionary authority via a discretionary investment management clause in the Investment Advisory Contract and/or a limited power of attorney clause in the contract between the client and the custodian.

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

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

## **Item 18 Financial Information**

### **A. Balance Sheet**

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

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

Neither SWM nor its management has any financial condition that is likely to reasonably impair SWM's ability to meet contractual commitments to clients.

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

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

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

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



SWM currently has only one management person/executive officer: Jennifer Rebecca Failla. Jennifer Rebecca Failla's education and business background can be found on the Form ADV Part 2B brochure supplement for such individual.

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

Jennifer Rebecca Failla's other business activities can be found on the Form ADV Part 2B brochure supplement for such individual.

**C. How Performance-based Fees are Calculated and Degree of Risk to Clients**

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

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

No management person at SWM or SWM has been found liable in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

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

Neither SWM, nor its management persons, has any relationship or arrangement with issuers of securities.



## **Jennifer Rebecca Failla**

Personal CRD Number: 4693339  
Investment Adviser Representative

### **Strada Wealth Management, LLC**

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Form ADV Part 2B - Individual Disclosure Brochure

Date: July 24, 2019

*This brochure supplement provides information about Jennifer Rebecca Failla that supplements the Strada Wealth Management, LLC brochure. You should have received a copy of that brochure. Please contact Jennifer Rebecca Failla at [jfailla@stradamanagement.com](mailto:jfailla@stradamanagement.com) or at the number listed above if you did not receive Strada Wealth Management, LLC's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Jennifer Rebecca Failla is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 Educational Background and Business Experience

**Name:** Jennifer Rebecca Failla

**Born:** 1973

### **Education:**

MS, University of Nebraska - 2007

BBA, Saint Mary's College - 1995

### **Business Background:**

08/2008 - Present, Investment Adviser Representative  
Strada Wealth Management, LLC

10/2012 - 2016, Certified Divorce Financial Analyst  
PlanningThruDivorce, LLC

03/2008 - 03/2014, Registered Representative  
H. Beck, Inc.

08/2011 - 11/2012, Investment Advisor Representative  
Bryant Investment Management Group, LLC

09/2006 - 02/2008, Financial Advisor  
Merrill Lynch, Pierce, Fenner & Smith Incorporated

06/2001 - 08/2006, Administrator  
JP Scott

### **Certifications:**

#### **Certified Divorce Financial Analyst, [CDFA], 2012:**

A CDFA is a member of the Institute for Divorce Financial Analysts who specializes in the financial issues surrounding divorce. The role of the CDFA includes acting as an advisor to one party's divorce lawyer, or as a mediator for both parties. A CDFA uses his or her knowledge of tax law, asset distribution, and short- and long-term financial planning to achieve an equitable settlement. To become a CDFA, a person must have two years of financial planning or legal experience. After attaining the proper work experience, candidates are required to complete a four-step modular program and exam designed by the IDFA. The program is a self-study system, covering financial and tax issues, with case studies of divorce settlements. To retain the CDFA designation, the candidate must also obtain 15 divorce-related hours of continuing education every two years, to remain in good standing with the IDFA.

#### **Advanced Divorce Financial Analyst™, [ADFA™], 2015:**

An Advanced Divorce Financial Analyst™ provides litigation support to divorce lawyers, typically as an expert witness. An ADFA provides in-depth analysis of the short- and long-term financial effects of a proposed settlement. The ADFA candidate must possess a Bachelors degree from an accredited university and must have three years of financial experience. The candidate will take a 150 question multiple choice exam with a score of 75% or better considered passing. Continuing education requirements are 20 divorce related credits over 2 years.

**Chartered Retirement Planning Counselor<sup>SM</sup>, [CRPC<sup>®</sup>], 2015:**

Individuals who hold the CRPC<sup>®</sup> designation have completed a course of study encompassing pre-and post-retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process. Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

**Certified Financial Planner<sup>™</sup>, [CFP<sup>®</sup>], 2016:**

The Certified Financial Planner<sup>™</sup>, CFP<sup>®</sup> and federally registered CFP (with flame design) marks (collectively, the "CFP<sup>®</sup> marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP<sup>®</sup> certification in the United States.

To attain the right to use the CFP<sup>®</sup> marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP<sup>®</sup> Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP<sup>®</sup> professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP<sup>®</sup> marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### Item 3 Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

### Item 4 Other Business Activities

Although Ms. Failla is licensed as independent insurance agent, she is not presently selling insurance products. If she did so, she affirmatively states that she would not accept any commission-based compensation from such a sale. In the event Ms. Failla decides to sell insurance, you would be under no obligation, contractually or otherwise, to purchase such insurance products through Ms. Failla or any other person affiliated with our firm.

Ms. Failla serves as first responder for TEXSAR [www.texasar.org](http://www.texasar.org). Additionally, she serves on the cabinet of JFACT, the Jewish Federation of Austin and Central Texas, in donor relations and endowments. She also serves on the Executive Board of Directors as Vice President - Treasurer of Finance for Congregation Beth Israel.

### Item 5 Additional Compensation

Other than salary, annual bonuses, or regular bonuses, Jennifer Rebecca Failla does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Strada Wealth Management, LLC.

### Item 6 Supervision

As the only owner and representative of Strada Wealth Management, LLC, Jennifer Rebecca Failla supervises all duties and activities of the firm. Jennifer Rebecca Failla's contact information is on the cover page of this disclosure document. Jennifer Rebecca Failla adheres to all required regulations regarding the activities of an Investment Adviser Representative and follows all policies and procedures outlined in the firm's policies and procedures manual, including the Code of Ethics, and appropriate securities regulatory requirements.

### Item 7 Requirements For State Registered Advisers

*This disclosure is required by Florida state securities authorities and is provided for your use in evaluating this investment advisor representative's suitability.*

1. Jennifer Rebecca Failla has NOT been involved in any of the events listed below.
  1. An award or otherwise being found liable in an arbitration claim alleging damages in

- excess of \$2,500, involving any of the following:
2. an investment or an investment-related business or activity;
  3. fraud, false statement(s), or omissions;
  4. theft, embezzlement, or other wrongful taking of property;
  5. bribery, forgery, counterfeiting, or extortion; or
  6. dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
1. an investment or an investment-related business or activity;
  2. fraud, false statement(s), or omissions;
  3. theft, embezzlement, or other wrongful taking of property;
  4. bribery, forgery, counterfeiting, or extortion; or
  5. dishonest, unfair, or unethical practices.

Jennifer Rebecca Failla has NOT been the subject of a bankruptcy petition in the past ten years.