

# Focus Investment Advisors, Inc. Client Brochure

*This brochure provides information about the qualifications and business practices of Focus Investment Advisors, Inc.. If you have any questions about the contents of this brochure, please contact us at (760) 230-1880 or by email at: [amontgomery@focusinvestment.com](mailto:amontgomery@focusinvestment.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 Focus Investment Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Focus Investment Advisors, Inc.' CRD number is: 109970*

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

Version Date: 05/29/2020

## Item 2: Material Changes

There are the following material changes in this brochure from the last annual updating amendment of Focus Investment Advisors, Inc. 03/27/2020. Material changes relate to Focus Investment Advisors, Inc.' policies, practices or conflicts of interests only.

- Focus Investment Advisors has updated Item 18 to reflect participation in the Paycheck Protection Program (PPP).

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

This firm has been in business since 1994 and has been SEC registered since April 10, 2000; the principal owners are Andrew Y. Wasa and Henry J. Ferry.

### B. Types of Advisory Services

Focus Investment Advisors, Inc. (hereinafter "FIA") offers the following services to advisory clients:

#### *Investment Supervisory Services*

FIA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. FIA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

FIA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### *Selection of Other Advisors*

FIA may direct clients to third party money managers. Before selecting other advisors for clients, FIA will always ensure those other advisors are properly licensed or registered as investment advisor.

#### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on fixed fees or hourly fees and the final fee structure is documented in the Financial Planning Agreement.

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

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

### ***FIA Fiduciary Duties***

FIA advises clients that are subject to the requirements of the Employee Retirement Income Security Act of 1974 as amended (“ERISA”), and as such, FIA acts as a “fiduciary,” as defined in that Act. FIA’s fiduciary duties to ERISA clients are limited to its investment supervisory services to the extent that FIA (i) has any discretionary authority or control in the administration of the plan, (ii) exercises any authority or control with respect to the management or disposition of plan assets, or (iii) renders investment advice to a plan for a fee or other compensation, direct or indirect. FIA’s financial planning services to ERISA clients does not implicate a fiduciary status.

### ***Pension Consulting Services***

FIA offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

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

FIA offers the same suite of services to all of its clients. However, specific client financial plans 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 FIA from properly servicing the client account, or if the restrictions would require FIA to deviate from its standard suite of services, FIA reserves the right to end the relationship.

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

FIA may recommend to clients various wrap fee programs if deemed appropriate. The appropriate supplemental brochure describing the wrap fee program of the program sponsor will be delivered to the client prior to investing in a wrap fee program.

#### **E. Amounts Under Management**

FIA has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$274,555,014.00	\$238,365,325.00	12/31/2019

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

#### **A. Fee Schedule**

##### *Investment Supervisory Services Fees*

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$0 - \$250,000	1.50%
\$250,001 - \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.75%
\$2,000,001 - \$5,000,000	0.50%
Above \$5,000,001	0.25%

These fees are negotiable and the final fee schedule is attached to the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.



## ***Financial Planning Fees***

### ***Fixed Fees***

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$1000 and \$5000. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. The fees are negotiable and the final fee schedule will be attached to the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

### ***Hourly Fees***

The hourly fee for these services is \$250. The fees are negotiable and the final fee schedule will be attached to the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

### ***Pension Consulting Services Fees***

The rate for pension consulting services is .80% to 1.00% of the plan assets for which FIA is providing such consulting services. These fees are negotiable.

## **B. Payment of Fees**

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

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

Advisory fees may also be invoiced and billed directly to the client with payments due quarterly upon invoice. Clients may select the method in which they are billed.

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

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

Fixed Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

### ***Payment of Pension Consulting Services Fees***

Pension consulting fees are invoiced and billed directly to the client and clients may select the method in which they are billed. Fees are paid quarterly in arrears.

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

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

### **D. Prepayment of Fees**

Any fees collected, but unearned, will be refunded by FIA at the time of cancellation

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

Certain investment adviser representatives of Focus Investment Advisors, Inc. are also associated with LPL Financial as broker-dealer registered representatives ("Dually Registered Persons"). In their capacity as registered representatives of LPL Financial, certain Dually Registered Persons may earn commissions for the sale of securities or investment products that they recommend for brokerage clients. They do not earn commissions on the sale of securities or investment products recommended or purchased in advisory accounts through Focus Investment Advisors, Inc.. Clients have the option of purchasing many of the securities and investment products we make available to you through another broker-dealer or investment adviser. However, when purchasing these securities and investment products away from Focus Investment Advisors, Inc., you will not receive the benefit of the advice and other services we provide.

#### ***1. This is a Conflict of Interest***

FIA and its supervised persons will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the supervised person and FIA an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which FIA receives compensation, FIA will document the conflict of interest in the client file and inform the client of the conflict of interest.

## ***2. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase FIA recommended products through other brokers or agents that are not affiliated with FIA.

Commissions are not FIA's primary source of compensation for advisory services.

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

FIA 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**

FIA generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities

#### ***Minimum Account Size***

There is an account minimum, \$100,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

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

##### ***Methods of Analysis***

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

**Charting analysis** involves the use of patterns in performance charts. FIA 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.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

### *Investment Strategies*

FIA uses long term trading and short term trading 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.

**Fundamental 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.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

### *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

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

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

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

FIA generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**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**

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

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

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

Certain employees of Focus Investment Advisors, Inc. are Dually Registered Persons. LPL Financial is a broker-dealer that is independently owned and operated and is not affiliated with Focus Investment Advisors, Inc.. Please refer to Item 12 for a discussion of the benefits Focus Investment Advisors, Inc. may receive from LPL Financial and the conflicts of interest associated with receipt of such benefits.

Specifically, Andrew Wasa, Henry Ferry, Amber Montgomery, Francis M. Amelio and David Everett Lam are registered representatives. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. FIA always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of FIA in their capacity as a registered representative.

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

Neither FIA nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

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

Andrew Wasa, Henry Ferry, Amber Montgomery and Francis M. Amelio are insurance agents. Andrew Wasa is also real estate broker. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. FIA always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of FIA in their capacity as an insurance agent, or a real estate broker.

David Everett Lam is also the owner of real estate rental property. From time to time, he may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. Focus Investment Advisors always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any Focus Investment Advisors representative in such individual's outside capacities.

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

FIA may direct clients to third party money managers. FIA will always act in the best interests of the client, including when determining which third party manager to recommend to clients. FIA will ensure that all recommended advisors or managers are licensed or notice filed in the states in which FIA is recommending them to clients.

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

## **A. Code of Ethics**

We have 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. Clients may request a copy of our Code of Ethics from management.

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

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

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

From time to time, representatives of FIA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of FIA 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. FIA will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own 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 FIA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of FIA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients.

## **Item 12: Brokerage Practices**

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

The Custodian is highly recommended based on their relatively low transaction fees and access to mutual funds and ETFs. FIA will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### ***Recommendation of LPL Financial***

Focus Investment Advisors, Inc. will generally recommend that clients establish a brokerage account with LPL Financial to maintain custody of clients' assets and to effect trades for their accounts. LPL Financial provides brokerage and custodial services to independent investment advisory firms, including Focus Investment Advisors, Inc.. For Focus Investment Advisors, Inc.' accounts custodied at LPL Financial, LPL Financial generally is compensated by clients through commissions, trails, or other transaction-based fees for trades that are executed through LPL Financial or that settle into LPL Financial accounts. For IRA accounts, LPL Financial generally charges account

maintenance fees. In addition, LPL Financial also charges clients miscellaneous fees and charges, such as account transfer fees. [LPL Financial charges Focus Investment Advisors, Inc. an asset-based administration fee for administrative services provided by LPL Financial. Such administration fees are not directly borne by clients, but may be taken into account when Focus Investment Advisors, Inc. negotiates its advisory fee with clients.]

While LPL Financial does not participate in, or influence the formulation of, the investment advice Focus Investment Advisors, Inc. provides, certain supervised persons of ADVISOR are Dually Registered Persons. Dually Registered Persons are restricted by certain FINRA rules and policies from maintaining client accounts at another custodian or executing client transactions in such client accounts through any broker-dealer or custodian that is not approved by LPL Financial. As a result, the use of other trading platforms must be approved not only by Focus Investment Advisors, Inc., but also by LPL Financial.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, Focus Investment Advisors, Inc. is limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL Financial.

Clients should understand that not all investment advisers recommend that clients custody their accounts and trade through specific broker-dealers.

Clients should also understand that LPL Financial is responsible under FINRA rules for supervising certain business activities of Focus Investment Advisors, Inc. and its Dually Registered Persons that are conducted through broker-dealers and custodians other than LPL Financial. LPL Financial charges a fee for its oversight of activities conducted through these other broker-dealers and custodians. This arrangement presents a conflict of interest because Focus Investment Advisors, Inc. has a financial incentive to recommend that you maintain your account with LPL Financial rather than with another broker-dealer or custodian to avoid incurring the oversight fee.

#### ***Benefits Received by Focus Investment Advisors, Inc. Personnel***

LPL Financial makes available to Focus Investment Advisors, Inc. various products and services designed to assist Focus Investment Advisors, Inc. in managing and administering client accounts. Many of these products and services may be used to service all or a substantial number of Focus Investment Advisors, Inc.' accounts, including accounts not held with LPL Financial. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and aggregation and allocation of trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Focus Investment Advisors, Inc.' fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting.



LPL Financial also makes available to Focus Investment Advisors, Inc. other services intended to help Focus Investment Advisors, Inc. manage and further develop its business. Some of these services assist Focus Investment Advisors, Inc. to better monitor and service program accounts maintained at LPL Financial, however, many of these services benefit only Focus Investment Advisors, Inc., for example, services that assist Focus Investment Advisors, Inc. in growing its business. These support services and/or products may be provided without cost, at a discount, and/or at a negotiated rate, and include practice management-related publications; consulting services; attendance at conferences and seminars, meetings, and other educational and/or social events; marketing support; and other products and services used by Focus Investment Advisors, Inc. in furtherance of the operation and development of its investment advisory business.

Where such services are provided by a third party vendor, LPL Financial will either make a payment to Focus Investment Advisors, Inc. to cover the cost of such services, reimburse Focus Investment Advisors, Inc. for the cost associated with the services, or pay the third party vendor directly on behalf of Focus Investment Advisors, Inc..

The products and services described above are provided to Focus Investment Advisors, Inc. as part of its overall relationship with LPL Financial. While as a fiduciary Focus Investment Advisors, Inc. endeavors to act in its clients' best interests, the receipt of these benefits creates a conflict of interest because Focus Investment Advisors, Inc.' recommendation that clients custody their assets at LPL Financial is based in part on the benefit to Focus Investment Advisors, Inc. of the availability of the foregoing products and services and not solely on the nature, cost or quality of custody or brokerage services provided by LPL Financial. Focus Investment Advisors, Inc.' receipt of some of these benefits may be based on the amount of advisory assets custodied on the LPL Financial platform.

#### *Transition Assistance Benefits*

LPL Financial provides various benefits and payments to Dually Registered Persons that are new to the LPL Financial platform to assist the representative with the costs (including foregone revenues during account transition) associated with transitioning his or her business to the LPL Financial platform (collectively referred to as "Transition Assistance"). The proceeds of such Transition Assistance payments are intended to be used for a variety of purposes, including but not necessarily limited to, providing working capital to assist in funding the Dually Registered Person's business, satisfying any outstanding debt owed to the Dually Registered Person's prior firm, offsetting account transfer fees (ACATs) payable to LPL Financial as a result of the Dually Registered Person's clients transitioning to LPL Financial's custodial platform, technology set-up fees, marketing and mailing costs, stationary and licensure transfer fees, moving expenses, office space expenses, staffing support and termination fees associated with moving accounts.

The amount of the Transition Assistance payments are often significant in relation to the overall revenue earned or compensation received by the Dually Registered Person at the prior firm. Such payments are generally based on the size of the Dually Registered Person's business established at his prior firm and/or assets under custody on the LPL Financial. Please refer to the relevant Part 2B brochure supplement for more information about the specific Transition Payments your representative receives.

Transition Assistance payments and other benefits are provided to associated persons of Focus Investment Advisors, Inc. in their capacity as registered representatives of LPL Financial. However, the receipt of Transition Assistance by such Dually Registered Persons creates conflicts of interest relating to Focus Investment Advisors, Inc.'s advisory business because it creates a financial incentive for Focus Investment Advisors, Inc.'s representatives to recommend that its clients maintain their accounts with LPL Financial. In certain instances, the receipt of such benefits is dependent on a Dually Registered Person maintaining its clients' assets with LPL Financial and therefore Focus Investment Advisors, Inc. has an incentive to recommend that clients maintain their account with LPL Financial in order to generate such benefits.

Focus Investment Advisors, Inc. attempts to mitigate these conflicts of interest by evaluating and recommending that clients use LPL Financial's services based on the benefits that such services provide to our clients, rather than the Transition Assistance earned by any particular Dually Registered Person. Focus Investment Advisors, Inc. considers LPL Financial when recommending or requiring that clients maintain accounts with LPL Financial. However, clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets in a brokerage account at LPL Financial.

FIA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

FIA allows clients to direct brokerage. FIA 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 FIA may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

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

FIA maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

### **C. Agency Cross Transactions**

FIA may execute purchase and sale transaction between two clients (“agency cross transactions”), provided such transactions comply with these procedures and Rule 206(3)-2 under the Investment Advisers Act of 1940, as amended. FIA may have a conflicting duty of loyalty to both of the clients for whom FIA conducts agency cross transactions and the affiliated broker-dealer, LPL Financial, Inc. may earn compensation in connection with agency cross transactions. FIA will only conduct agency cross transactions if a client has consented in advance to the conduct of such transactions, either in the client’s account agreement or in a separate written consent. Each agency cross transaction shall be effected at the independent current market price of the security. FIA will always acts in the best interest of the client including its obligation to obtain best execution and best price for any transaction.

## **Item 13: Reviews of Accounts**

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

Client accounts are reviewed at least quarterly by Andrew Y. Wasa and Henry Ferry, partners, with regards to their investment policies and risk tolerance levels.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Andrew Y. Wasa and Amber Montgomery. 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 quarterly a written report that details the clients’ account which may come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

## **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)**

Focus Investment Advisors, Inc. and/or its Dually Registered Persons are incented to join and remain affiliated with LPL Financial and to recommend that clients establish accounts with LPL Financial through the provision of Transition Assistance (discussed in Item 12 above). LPL also provides other compensation to Focus Investment Advisors, Inc. and its Dually Registered Persons, including but not limited to, bonus payments, repayable and forgivable loans, stock awards and other benefits.

The receipt of any such compensation creates a financial incentive for your representative to recommend LPL Financial as custodian for the assets in your advisory account. We encourage you to discuss any such conflicts of interest with your representative before making a decision to custody your assets at LPL Financial.

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

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

## **Item 15: Custody**

FIA does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the Custodian.

## **Item 16: Investment Discretion**

For select ERISA Plans, FIA does exercise discretion especially for Taft Hartley Defined Benefit, Defined Contribution and Health & Welfare Plans. For non-institutional, both non-qualified and qualified plan accounts, we generally do not exercise discretion however, we reserve the right to exercise discretion whenever it becomes necessary.

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

FIA 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**

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

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

In light of the COVID-19 coronavirus and historic decline in market values, Focus Investment Advisors has elected to participate in the CARES Act's Paycheck Protection Program ("PPP") to strengthen its balance sheet. Focus Investment Advisors intends to use this loan predominantly to continue payroll for the firm and may ultimately seek loan forgiveness per the terms of the PPP. Due to this and other measures taken internally, Focus Investment Advisors has been able to operate and continue serving its clients.

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

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