

Form ADV Part 2A: *Firm Brochure*

Item 1 – Cover Page

Carlson Wealth, LLC
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Date of Disclosure Brochure: January 2022

This disclosure brochure provides information about the qualifications and business practices of Carlson Wealth, LLC (also referred to as we, us and Carlson Wealth throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Michael Carlson at 402-999-7513 or mikec@msc-tax.com. The information in this disclosure 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 Wealth is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for Carlson Wealth, LLC or our firm's CRD number 318362.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Carlson Wealth is a newly registered investment adviser, and this disclosure brochure dated January 2022 is the first disclosure brochure prepared by our firm. In the future, this item will discuss only specific material changes that are made to the disclosure brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of this disclosure brochure.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Carlson Wealth, LLC is an investment adviser registered with the State of Nebraska and is a limited liability company (LLC) formed under the laws of the State of Nebraska.

- Carlson Tax and Accounting, LLC is 100% owner of Carlson Wealth. Michael Carlson is 100% owner of Carlson Tax and Accounting, LLC. Michael Carlson is the Chief Compliance Officer of Carlson Wealth. Full details of the education and business background of Michael Carlson are provided at *Item 19* of this Disclosure Brochure.
- Carlson Wealth filed its initial application to become registered as an investment adviser in January 2022.

Introduction

The investment advisory services of Carlson Wealth are provided to you through an appropriately licensed individual who is an investment adviser representative of Carlson Wealth (referred to as your investment adviser representative throughout this brochure).

Description of Advisory Services

The following are descriptions of the primary advisory services of Carlson Wealth. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Carlson Wealth before we can provide you the services described below.

Asset Management Services

Carlson Wealth offers asset management services, which involves Carlson Wealth providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

Carlson Wealth provides complementary financial planning services to clients who are currently receiving asset management services from Carlson Wealth for an asset management fee. If Client is currently receiving asset management services from Carlson Wealth for an asset management fee, Carlson Wealth waives any fees for financial planning services.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Financial Planning Services

Carlson Wealth offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: Investment Planning, Retirement Planning, Insurance Planning, Tax Planning, Education Planning and Business Planning. When providing financial planning services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a modular written financial plan.

Our financial planning services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning recommendations. To the extent that you would like to implement any of our investment recommendations through Carlson Wealth or retain Carlson Wealth to actively monitor and manage your investments, you must execute a separate written agreement with Carlson Wealth for our asset management services.

Retirement Plan Rollover Recommendations

When Carlson Wealth provides investment advice about your retirement plan account or individual retirement account ("IRA") including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that Carlson Wealth is a "fiduciary" within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC") as applicable, which are laws governing retirement accounts. The way Carlson Wealth makes money creates conflicts with your interests so Carlson Wealth operates under a special rule that requires Carlson Wealth to act in your best interest and not put our interest ahead of you.

Under this special rule's provisions, Carlson Wealth must act as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations (give prudent advice);
- Never put the financial interests of Carlson Wealth ahead of you when making recommendations (give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that Carlson Wealth gives advice that is in your best interest;
- Charge no more than is reasonable for the services of Carlson Wealth; and
- Give Client basic information about conflicts of interest.

To the extent we recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Carlson Wealth, please know that Carlson Wealth and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Carlson Wealth. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Carlson Wealth.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Carlson Wealth receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Carlson Wealth and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Carlson Wealth or our affiliated personnel.

Limits Advice to Certain Types of Investments

Carlson Wealth provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)

- Exchange-listed Securities
- Corporate Debt Securities
- US Government Securities

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

Tailor Advisory Services to Individual Needs of Clients

Carlson Wealth's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. Our financial planning services are always provided based on your individual needs. When providing financial planning services, we work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

When managing client accounts through our firm's Asset Management Services program, we may manage a client's account in accordance with one or more investment models. When client accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

Client Assets Managed by Carlson Wealth

As a newly registered investment adviser, Carlson Wealth has no assets under management to report as of the date of this Brochure.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Carlson Wealth.

Fees For Asset Management Services

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of a billing period, the prorated fee for the initial billing period is billed in arrears at the same time as the next full billing period's fee is billed.

The asset management services continue until terminated by either party (i.e., Carlson Wealth or you) by giving thirty (30) days written notice to the other party. Any prepaid, unearned fees will be promptly refunded by Carlson Wealth to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Fees charged for our asset management services are negotiable based on the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative and the total amount of assets under management for the client.

For our asset management services, clients will be charged an annual fee based upon the amount of assets under management:

<u>Assets Under Management</u>	<u>Annual Fees</u>
\$0 - \$49,999	1.75%
\$50,000 - \$199,999	1.50%
\$200,000 - \$499,999	1.25%
\$500,000 - \$999,999	1.00%
\$1,000,000 – 1,999,999	0.90%
\$2,000,000 - \$2,999,999	0.80%
\$3,000,000 - \$3,999,999	0.70%
\$4,000,000 - \$4,999,999	0.60%
\$5,000,000 and Above	0.50%

This is **not** a “blended” annual fee schedule in which each tier of assets is charged a different rate under the annual fee schedule creating the effect of a blended fee rate used at the time of billing. Under our fee schedule described above, only one rate is charged against all of the client's assets under management in this program.

Individual accounts for members of the same family/household, are assessed fees based on the total account balance of all household accounts.

The fee schedule may be amended from time to time by Carlson Wealth. We will provide clients with at least forty-five (45) days advance written notice for any amendments to our fee schedule and clients have the option to terminate services before the increased fee schedule takes effect.

Carlson Wealth believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar

services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

The investment advisory fees will be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account. You will authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to our firm. Our firm will send you a billing statement prior to time that fee deduction instruction is sent to the qualified custodian(s) of your account. The billing statement will detail the formula used to calculate the fee, the assets under management and the time period covered. See *Item 15 – Custody* for more details.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

Brokerage expenses and/or transaction fees charged by the qualified custodian are billed directly to you by the qualified custodian. Carlson Wealth does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you will incur certain charges imposed by third parties other than Carlson Wealth in connection with investments made through your account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by Carlson Wealth are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

Fees For Financial Planning Services

Fees charged for our financial planning services are negotiable based upon the type of client, the services requested, the complexity of the client's situation, the composition of the client's account, other advisory services provided and the relationship of the client and the investment adviser representative. The following are the fee arrangements available for financial planning services offered by Carlson Wealth.

Hourly Fees

Carlson Wealth provides financial planning services under an hourly fee arrangement. An hourly fee of \$145 per hour is charged by Carlson Wealth for financial planning services under this arrangement. Before commencing financial planning services, Carlson Wealth provides an estimate of the approximate hours needed to complete the requested financial planning services. If Carlson Wealth anticipates exceeding the estimated amount of hours required, Carlson Wealth will contact you to receive authorization to provide additional services. You will pay in advance a mutually agreed upon percentage of the fee that will be available for Carlson Wealth to bill hourly fees against for our financial planning services; however, under no circumstances will Carlson Wealth require you to pay fees more than \$1200 more than six months in advance. Any unpaid hourly fees are due immediately upon completion and delivery of the financial plan.

The fees for the financial planning services may be waived by Carlson Wealth at our sole discretion.

If Carlson Wealth does not charge a financial planning fee under a Financial Planning Agreement, there may be fees and expenses charged by mutual funds to their shareholders if Client invests in mutual funds due in part to the services under this Agreement. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a

possible distribution fee (known as 12(b)-1 fees). If the mutual fund also imposes sales charges, Client may pay an initial or deferred sales charge.

Likewise, if Carlson Wealth does not charge a financial planning fee under the Financial Planning Agreement, and Client decides to invest through a qualified custodian due in part to the services under this Agreement, the qualified custodian or broker-dealer executing certain transaction will charge commissions for implementing transactions.

To the extent Carlson Wealth provides you with general investment recommendations as part of the financial planning services and you implement such investment recommendations from Carlson Wealth under our Investment Management Services Agreement, we will waive the fees for financial planning services.

The financial planning services terminate upon delivery of the written financial plan or upon either party providing the other party with 30 days written notice of termination.

In the event that you terminate the financial planning services at any time prior to presentment of the written plan by providing notice to Carlson Wealth, you will pay Carlson Wealth for any hourly fees incurred at the rates described above. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by Carlson Wealth to you. If you are not satisfied with the financial plan prepared by Carlson Wealth, we may waive our fee; however, in such a situation, Carlson Wealth retains intellectual property rights over any written financial plan prepared by Carlson Wealth, and the written financial plan must be returned to Carlson Wealth.

Other Fee Terms for Financial Planning Services

You may pay the investment advisory fees owed for the financial planning services by submitting payment directly (for example, by check). Credit card payments are not accepted.

You should notify Carlson Wealth within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

All fees paid to Carlson Wealth for services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning fees paid to Carlson Wealth and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

All fees paid to Carlson Wealth for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

All fees paid to Carlson Wealth for financial planning services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

It should be noted that lower fees for comparable services may be available from other sources.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

Item 7 – Types of Clients

Carlson Wealth generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals

You are required to execute a written agreement with Carlson Wealth specifying the particular advisory services in order to establish a client arrangement with Carlson Wealth.

Minimum Investment Amounts Required

There are no minimum investment amounts or conditions required for establishing an account managed by Carlson Wealth.

There is no minimum fee charged for financial planning services.

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

Methods of Analysis

Carlson Wealth uses the following methods of analysis in formulating investment advice:

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

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

Other Methods of Analysis – Carlson Wealths' primary method of analysis and strategy is based on the principles of Modern Portfolio Theory (MPT). The tenets of MPT provide for a passive long-term buy-and-hold strategy implemented through globally diversified portfolios. Mutual funds and exchange traded funds representing asset classes where academic research has demonstrated higher expected returns for the level of risk are combined in a single portfolio. Portfolios are constructed in a manner to provide diversification for the purpose of reducing the risk caused by volatility. Portfolios are rebalanced to maintain agreed upon asset allocations.

There are risks involved in using any analysis method.

Investment Strategies

Carlson Wealth uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year. We may also recommend the use of long-term investment techniques such as dollar-cost averaging.

Investment Models. Carlson Wealth will offer certain investment models when suitable for clients. Our models and advice are based upon long-term investment strategies that incorporate the principles of modern portfolio theory. Our investment approach is firmly rooted in the belief that markets are "efficient", and that investors' returns are determined principally by asset allocation decisions, not market timing or stock picking. We develop diversified portfolios principally through the use of passively managed, asset class mutual funds and exchange traded funds that are available primarily to institutional investors and clients of a network of carefully selected investment advisors.

Primarily Recommend One Type of Security

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.

- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Carlson Wealth is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure.

Dually Registered as an Investment Adviser Representative

Michael Carlson is also affiliated as an investment advisor representative with McMill CPA and Advisors, an investment advisor not affiliated with Carlson Wealth.

It is expected that once Carlson Wealth, LLC's registration as a registered investment adviser is accepted, Michael Carlson's registration with McMill CPA and Advisors as an investment adviser representative will terminate.

Insurance Agent

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of Carlson Wealth by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

Accounting Services

Michael Carlson is an accountant or Certified Public Accountant (CPA). If Michael Carlson determines that a client is in need of tax or accounting services, the client may be referred to Michael Carlson's accounting firm or practice, Carlson Tax and Accounting, LLC DBA MSC Goal Achievement Services. In addition, if accounting or tax clients of Michael Carlson are in need of financial planning or other advisory services, Michael Carlson, acting in his separate capacity as an accountant, may refer or recommend investment advisory services available through Carlson Wealth. No referral fees are paid between Carlson Wealth and Carlson Tax and Accounting, LLC.

Clients are not obligated in any manner to use the services or an accounting firm recommended or owned by Michael Carlson.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

An investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Carlson Wealth has established a Code of Ethics that reflects its fiduciary obligations and those of its supervised persons. Our Code of Ethics requires compliance with federal securities laws. Carlson Wealth's Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Carlson Wealth requires its supervised persons to consistently act in your best interest in all advisory activities. Carlson Wealth imposes certain

requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Carlson Wealth. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you free of charge.

Affiliate and Employee Personal Securities Transactions Disclosure

Carlson Wealth or supervised persons of the firm buy and sell for their personal accounts, investment products identical to those recommended to clients. This creates a conflict of interest. It is the express policy of Carlson Wealth that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. As is required by our internal procedures manual, Carlson Wealth and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

Carlson Wealth has developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, supervised persons):

- Supervised persons cannot prefer their own interests to that of the client.
- Supervised persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Supervised persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Supervised persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Supervised persons are discouraged from conducting frequent personal trading.
- Supervised persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Carlson Wealth.

Any Supervised person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

Carlson Wealth exercises reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back-office services, technology and pricing of services offered.

If Carlson Wealth assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all

conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

Brokerage Recommendations

You are under no obligation to act on the financial planning recommendations of Carlson Wealth. If we assist you in the implementation of any recommendations, we are responsible to ensure that you receive the best execution possible.

Carlson Wealth recommends that you establish brokerage accounts with TD Ameritrade through their Institutional Platform. TD Ameritrade, Inc. ("TD Ameritrade") is a member of FINRA/SIPC. TD Ameritrade is an independent (and unaffiliated) SEC-registered broker-dealer and is recommended by Carlson Wealth to maintain custody of clients' assets and to effect trades for their accounts.

At least annually, we will review alternative custodians in the marketplace for comparison to the currently used custodian, evaluating criteria such as overall expertise, cost competitiveness, and financial condition. Quality of execution for custodians will be reviewed through trade journal evaluations.

Carlson Wealth is independently owned and operated and not affiliated with TD Ameritrade.

The primary factor in suggesting a broker/dealer or custodian is that the services of the recommended firm are provided in a cost-effective manner. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer suggested by Carlson Wealth must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors determined when suggesting a broker/dealer.

TD Ameritrade, Inc. provides us with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors at no charge to them so long as the independent investment advisors maintain a minimum amount of assets with the custodian.

TD Ameritrade, Inc. also makes available to us other products and services that benefit our firm but may not benefit clients' accounts. Some of these other products and services assist us in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); provide research, pricing information and other market data; facilitate payment of the firm's fees from its clients' accounts; and assist with back-office functions; record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at a recommended custodian. Carlson Wealth is also providing other services intended to help our firm manage and further

develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

Other benefits we receive include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds that generally require significantly higher minimum initial investments or are generally only available to institutional investors.

Specifically, Carlson Wealth participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Adviser receives some benefits from TD Ameritrade through its participation in the program. *(Please see the disclosure under Item 14 below.)*

Directed Brokerage

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, Carlson Wealth may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, Carlson Wealth has decided to require our clients to use broker/dealers and other qualified custodians determined by Carlson Wealth.

Soft Dollar Benefits

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

Carlson Wealth utilizes the services of TD Ameritrade. While there is no direct linkage (except in certain circumstances) between the investment advice given to clients and Carlson Wealth's participation in the TD Ameritrade program, economic benefits are received by Carlson Wealth which would not be received if we did not give investment advice to clients.

Although we don't allow directed brokerage, we may still receive benefits from program sponsors and product issuers. These benefits may be used for both research and non-research purposes and allows us to supplement, at no cost, our own research and analysis activities. These benefits include: a dedicated trade desk that services the program participants exclusively, a dedicated service group and an account services manager dedicated to Carlson Wealth's accounts, access to a real-time order matching system, the ability to "block" clients' trades, electronic download of trades, balances and position information, duplicate and batched client statements, confirmations, year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), availability of third-party research and technology, a quarterly newsletter, access to mutual funds, and .

The benefits received through participation in the TD Ameritrade program do not depend upon the amount of transactions directed to or amount of assets managed through TD Ameritrade.

Research obtained with soft dollars is not necessarily utilized for the specific account that generated the soft dollars. We do not attempt to allocate the relative costs or benefits of research among clients because we believe that, in the aggregate, the research we receive benefits all clients and assists us in fulfilling our overall duty to you.

These arrangements may be deemed to create a conflict of interest to the extent that we would have to pay for some or all of the research and/or services with “hard dollars” if we were unable to obtain the research and services in exchange for commissions in connection with client transactions. Client trades are always implemented based on the goals and objectives of the client and not on any research, products or other incentives available.

Block Trading Policy

Investment advisors may elect to purchase or sell the same securities for several clients at approximately the same time when they believe such action may prove advantageous to clients. This process is referred to as aggregating orders, batch trading or block trading. Carlson Wealth does not engage in block trading.

It should be noted that implementing trades on a block or aggregate basis may be less expensive for client accounts; however, it is our trading policy is to implement all client orders on an individual basis. Therefore, we do not aggregate or “block” client transactions. Considering the types of investments we hold in advisory client accounts, we do not believe clients are hindered in any way because we trade accounts individually. This is because we develop individualized investment strategies for clients and holdings will vary. Our strategies are primarily developed for the long-term and minor differences in price execution are not material to our overall investment strategy.

Agency Cross Transactions

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Managed accounts are reviewed at least annually with clients. While the calendar is the main triggering factor, reviews can also be conducted more frequently or at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Michael Carlson, with reviews performed in accordance with your investment goals and objectives.

Our financial planning services terminate upon the presentation of the written plan. Our financial planning services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

Statements and Reports

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements in writing directly from the qualified custodian.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by Carlson Wealth.

You are encouraged to always compare any reports or statements provided by us or a third-party serviceprovider against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

Carlson Wealth does not directly or indirectly compensate any person for client referrals.

Carlson Wealth has an arrangement to receive leads generated from prospective clients. We pay a monthly fee which is not based on the number of leads generated and is not based on the number of new clients attained. We simply pay a set fee to be included on the list of investment adviser options a prospective client can choose from. The fee does not go up or down based on the number of referrals.

Prospective clients are referred to up to five investment adviser firms and are not required or obligated in any way to work with us. The selection of an investment adviser is important and should not be based solely on marketing. Prospects are free to work with any investment adviser or financial professional of their own choosing.

Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, including authorization to deduct advisory fees, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

For accounts in which Carlson Wealth is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly.

Clients should carefully review those statements and are urged to compare the statements against any reports received from Carlson Wealth. When clients have questions about their account statements, they should contact Carlson Wealth or the qualified custodian preparing the statement.

When fees are deducted from an account, Carlson Wealth is responsible for calculating the fee and delivering instructions to the custodian. At the same time Carlson Wealth instructs the custodian to deduct fees from your account; Carlson Wealth will send you an invoice itemizing the fee. Itemization will include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

Item 16 – Investment Discretion

When providing asset management services, Carlson Wealth maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities, the amount of securities that can be bought or sold and the broker or dealer to be used for your portfolio without obtaining your consent for each transaction. However, it is the policy of Carlson Wealth to consult with you prior to making significant changes in the account even when discretionary trading authority is granted.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Carlson Wealth so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Client will grant Carlson Wealth discretionary authority (without first consulting with Client) to establish and/or terminate a relationship with a Sub-Adviser for purposes of managing the Account or a portion of the Account determined by Carlson Wealth. Client will also grant the Sub-Adviser selected by Carlson Wealth with the discretionary authority (in the sole discretion of the Sub-Adviser without first consulting with Client) to make all decisions to buy, sell or hold securities, cash or other investments for such portion of the Account managed by the Sub-Adviser. Client will also grant the Sub-Adviser selected by Carlson Wealth with the power and authority to carry out these decisions by giving instructions, on behalf of Client, to brokers and dealers and the qualified custodian(s) of the Account. Client authorizes Carlson Wealth to provide a copy of this Agreement to the qualified custodian or any broker or dealer, through which transactions will be implemented on behalf of Client, as evidence of Sub-Adviser's authority under this Agreement.

Item 17 – Voting Client Securities

Carlson Wealth does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents

and make a determination based on the information provided. Although we do not vote client proxies, if you have a general question about a particular proxy, feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. Carlson Wealth does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Carlson Wealth has not been the subject of a bankruptcy petition at any time.

Item 19 – Requirements for State-Registered Advisers

Executive Officer and Management Personnel

Michael S. Carlson

Educational Background:

Drake University, BSBA in Accounting the Information Technology: 1986
University of Notre Dame, MBA: 1987

Business Experience:

Carlson Wealth, LLC, Managing Member and Chief Compliance Officer, 1/2022 to Present;
Carlson Tax and Accounting, LLC, President, 2/2010 to Present
McMill CPA and Advisors, Investment Adviser Representative, 4/2017 to Present
Wealth Management LLC, Sales Manager, 04/2017 to 12/2021
American National Bank, Wealth Manager, 4/2015 to 4/2017
Securities America Advisors, Investment Adviser Representative, 04/2015 to 04/2017
Securities America, Inc., Registered Representative, 04/2015 to 04/2017
Metlife Securities Inc., Investment Adviser Representative, 12/2012 to 04/2015
Metlife Securities Inc., Registered Representative, 06/2011 to 04/2015

Other Business Activities

See *Item 10 – Other Financial Industry Activities and Affiliations*.

No Performance Based Fees

As previously disclosed in *Item 6*, Carlson Wealth does not charge or accept performance-based fees.

No Arbitrations

Carlson Wealth or any of its associated persons have not been the subject of any client arbitrations or similar legal disputes.

No Arrangement with Issuer of Securities

Carlson Wealth and its management do not have any relationship or arrangement with any issuer of securities.

Customer Privacy Policy Notice

The following information is provided, as required by law, to help you understand Carlson Wealth, LLC's privacy policy and how we will handle and maintain confidential personal information as we fulfill our obligations to protect your privacy. "Personal Information" refers to nonpublic financial information obtained by Carlson Wealth, LLC in connection with providing investment advisory or other services. Information We Collect Carlson Wealth, LLC collects personal information as part of our relationship to you as an investment advisor, to provide client services and fulfill our legal and regulatory requirements.

The type of information Carlson Wealth, LLC collects may include:

- Information Carlson Wealth, LLC receives from you on forms (such as names, address, social security number, assets and income).
- Information you provide Carlson Wealth, LLC directly about your personal finances or personal circumstances or which Carlson Wealth, LLC may receive from brokerage statements or other information you authorize Carlson Wealth, LLC to receive.

Information Disclosed in Administering Products and Services

Carlson Wealth, LLC will not disclose personal information about current or former clients to non-affiliated third parties except firms we contract with for administrative purposes or as permitted or required by law. Carlson Wealth, LLC does not sell any personal information about you to any third party. Carlson Wealth, LLC will not disclose personal information without your authorization, except as required or permitted by law.

Procedures to Protect Confidentiality or Security of your Personal Information

Carlson Wealth, LLC has procedures in place that limit the access to personal information to employees who need to know such information in order to perform business services. Carlson Wealth, LLC educates our employees on the importance of protecting the privacy and security of confidential personal information. Carlson Wealth, LLC will password protect any confidential personal information that is electronically transmitted or use other industry approved methods approved for securely transmitting your information. Carlson Wealth, LLC may give account access to its sister company, Carlson Tax and Accounting, LLC if it is seen to be in the best interest of the client's financial goals. Carlson Wealth, LLC will update our privacy policy and procedures where necessary to ensure that your privacy is maintained and the Carlson Wealth, LLC conducts our business in a way that fulfills our commitment to you.

If Carlson Wealth, LLC makes any material changes to our privacy policy, we will make that information available to clients through our website, if any, and/or other communications.