



Item 1 – Cover Page

**Redwood Financial Network Corp.
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Solon, OH 44139

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redwoodfn.com

ADV Part 2A

March 2021

This Brochure provides information about the qualifications and business practices of Redwood Financial Network Corp. (“Redwood”, the “Company”, “us”, “we”, “our”). Redwood’s IARD firm number is 157834.

This Brochure provides information about our qualifications and business practices. If you (“client”, “your”) have any questions about the contents of this brochure, please contact us at (440) 287-5020. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

We are a registered investment adviser. Our registration as an investment adviser does not imply any level of skill or training. Additional information about Redwood is available on the SEC’s website at www.adviserinfo.sec.gov (click on the link, select “Investment Adviser Search” and type in our firm name). The results will provide you with both Parts 1 and 2 of our Form ADV.

Item 2 – Material Changes

There are no material changes to report since the last annual filing of Redwood’s Form ADV Part 2 (“Disclosure Brochure”) dated March 2020. However, we have enhanced our general risk disclosures under Item 8 to address legal and regulatory risk, systems and technology risks, cybersecurity risks and pandemic risks. Furthermore, the loan received by us under the Payroll Protection Program was officially forgiven and reference to this has been removed from Item 18.

Pursuant to amendments made to rules promulgated under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and the form formerly known as Form ADV Part II. This Disclosure Brochure was developed in response to new requirements adopted and imposed by the SEC under the Advisers Act.

For future filings, this section of the Disclosure Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this Brochure on the SEC’s public disclosure website (IAPD) at www.adviserinfo.sec.gov.

We may, at any time, update this Disclosure Brochure and send you a copy that includes a summary of material changes. These changes may be communicated either by electronic means (email) or by mail.

If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or you may contact our Chief Compliance Officer, William J. Gordon III at the telephone number listed on the cover page of this Disclosure Brochure or via email at bgordon@redwoodfn.com.

Item 3 – Table of Contents

Item 1 – Cover Page	
Item 2 – Material Changes	i
Item 3 – Table of Contents	ii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	10
Item 6 – Performance-Based Fees and Side-By-Side Management.....	16
Item 7 – Types of Clients.....	17
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	18
Item 9 – Disciplinary Information	23
Item 10 – Other Financial Industry Activities and Affiliations	24
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	26
Item 12 – Brokerage Practices	29
Item 13 – Review of Accounts.....	31
Item 14 – Client Referrals and Other Compensation.....	32
Item 15 – Custody	33
Item 16 – Investment Discretion.....	34
Item 17 – Voting Client Securities (i.e., Proxy Voting).....	35
Item 18 – Financial Information	36
Item 19 – Requirements for State-Registered Advisers	37

Item 4 – Advisory Business

Redwood Financial Network Corp. was organized as a corporation under the laws of the State of Ohio on June 10, 2011 and is owned by the following individuals:

William J. Gordon, III	50%
Sunwook Jin	50%

We became a registered investment adviser with the Ohio Division of Securities (“Division”) and the Illinois Securities Department (“Department”) in February 2012, in order to provide the investment advisory products and services described within this document. We have been registered as an investment adviser at both the state and federal level since February 14, 2012. Currently, we are registered with the SEC since April 28, 2014 and notice filed with the appropriate states in which notice filings are required. As of February 25, 2021, we managed \$150,208,999 on a discretionary basis and \$583,471 on a non-discretionary basis.

We offer financial and investment advisory services to individuals, pension and profit sharing plans, charitable organizations, and corporations or other businesses not listed above. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and nature of advisory services that should be considered before becoming our advisory client.

Please contact William J. Gordon III, Chief Compliance Officer, if you have any questions about this Brochure.

Individuals associated with Redwood are individually qualified by our management team and will provide investment advisory services on our behalf. Such individuals are known as Investment Adviser Representatives (“IARs”). We require these individuals to be properly licensed and registered, unless exempted, in states in which such individuals are conducting investment advisory business.

Our IARs are registered representatives of LPL Financial (“LPL”), a licensed full service securities broker/dealer and investment advisor under federal and state securities laws. LPL is a member of the Financial Industry Regulatory Authority (“FINRA”) and Securities Investor Protection Corporation (“SIPC”). Securities transactions for LPL's brokerage clients are executed through LPL.

Below is a description of the Family and Individual Wealth Management Services that we offer. For more detail on any product or service, please reference the advisory agreement, wrap brochure or speak with Mr. Gordon or your IAR.

DESCRIPTION OF SERVICES PROVIDED

Family and Individual Wealth Management:

Financial Planning Services:

Redwood offers comprehensive financial planning services to families and individuals pursuant to a written agreement. The scope of these services is identified during an initial consultation. During this consultation we get to know you personally, thoroughly review your financial situation and investment portfolio and discuss your short and long-term goals, and objectives. This discussion allows us to develop a planning engagement that will address your specific concerns. The engagement is tailored to your personal situation but will typically involve one or more of the following areas: Retirement Planning, Investment Planning, Estate Planning, Cash Flow Planning, Risk Management, Education Planning, Tax Planning¹, Insurance Planning and Philanthropic Planning. Depending upon the scope of the engagement and the time required to complete the tasks involved, this engagement may involve:

Ongoing Financial Planning

Flat Fee Financial Planning

Hourly Financial Planning

Subscription Fees

Ongoing Financial Planning:

This planning service is broad in scope and requires frequent coordination and review by the IAR. The term of this engagement is typically at least one year in length and may extend for several years.

¹ Please note that we do not offer tax advice. To determine your individual tax situation and specific needs, please consult a professional tax advisor.

Flat Fee Financial Planning:

This planning service is limited in scope and typically has clearly identified tasks and timeline. This service will usually involve a common financial concern such as education planning or insurance planning. We will estimate the required hours to complete this service and provide you with a flat fee arrangement.

Hourly Financial Planning:

This planning service is limited in scope, but the tasks and time required to complete the project may not be clear at the inception of the engagement. We will be compensated for this service based on the number of hours required for its completion. Examples of this service include evaluations of divorce settlements, inheritances, financing alternatives and/or business investments.

Subscription Fees:

This planning service involves the ongoing use of planning software or web based applications. The subscription fee is intended to compensate Redwood for the use of the application and time involved in inputting data or coordinating updates.

Financial Planning Services usually include an evaluation of your current financial situation and recommendations for specific actions to pursue your goals and objectives. This service may require significant follow-up and review by the IAR and may include coordination of other professionals, such as CPA's or Attorneys. Our preparation of the initial evaluation and action plan is typically completed within three (3) months of receiving requested information and documents from you.

Prior to engaging us to provide financial planning or consulting services, you will generally be required to enter into a Planning Agreement. This agreement establishes the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due prior to us commencing services. Upon your request, we may recommend the services of other professionals for implementation purposes; including our IARs in their separate individual licensed capacities as registered representatives of LPL and/or licensed insurance agents (See disclosure on Item 10). You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any of our recommendations. Moreover, you are advised that it remains your responsibility to promptly notify us of any change in

your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Asset Management Services:

Redwood provides asset allocation and ongoing investment management services. We will work with you to identify your investment goals and objectives, risk tolerance and time horizons in order to create a portfolio allocation that we feel will allow you to achieve your goals while assuming the appropriate level of risk. Your portfolio will be tailored to meet your specific needs. You will have the opportunity to place reasonable restrictions on the investment in certain securities or the types of securities to be held in the portfolio. Your IAR may recommend various types of Asset Management Services to help meet your investment goals. Please note that our IARs provide advice individually to each of their clients based on each client's specific financial objectives and situation, and therefore, advice provided by one IAR could conflict with or be in direct opposition to advice provided by another IAR. The following Asset Management Services may be recommended:

Redwood Asset Management (RAM):

Redwood offers a Wrap Fee Account which is administered through its clearing broker/dealer, LPL. The Wrap Fee Program is designed to assist you in clarifying your investment needs and obtaining professional asset management for a convenient single "wrap" fee on a discretionary basis. Under the Wrap Fee Program, an inclusive fee covers account management, brokerage, clearance, custody and administrative services. We will receive a portion of the WRAP fee for our services.

Redwood typically manages wrap accounts similarly to non-wrap accounts. However, several factors may influence the selection of the account structure, including but not limited to:

1. The client's preference for a "wrap" vs. transaction charges per trade on certain or all securities.
2. Account size.
3. Anticipated trading frequency.
4. Anticipated securities to be traded.
5. Management style.

6. Long term investment goals.

The overall cost you will incur if you participate in a wrap fee program may be higher or lower than you might incur by paying transaction costs separately. To compare the cost of the wrap fee program with non-wrap fee portfolio management services, you should consider the frequency of trading activity associated with our investment strategies, the transaction charges involved, and the advisory fees charged.

Strategic Wealth Management (SWM):

This Non-Wrap Fee Program is very similar to RAM but brokerage and clearing fees are paid by you and become part of your cost basis in a purchase and proceeds in the sale of securities.

Portfolio Management Services Under Third Party Advisory Services:

LPL Financial Sponsored Advisory Programs

We may provide advisory services through certain programs sponsored by LPL, a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to Redwood. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs, please see the program account packet (which includes the account agreement and the LPL Form ADV program brochure) and the Form ADV, Part 2A of LPL or the applicable program.

Manager Access Select Program

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. We will assist client in identifying a third-party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. We will provide initial and ongoing assistance regarding the Portfolio Manager selection process.

A minimum account value of \$100,000 is required for Manager Access Select; however, in certain instances, the minimum account size may be lower or higher.

Optimum Market Portfolios Program (OMP)

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. We will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. We will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

A minimum account value of \$10,000 is required for OMP. In certain instances, LPL will permit a lower minimum account size.

Personal Wealth Portfolios Program (PWP)

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. We will have discretion for selecting the asset allocation model portfolio based on client's investment objective. We will also have discretion for selecting third party money managers (PWP Advisors), mutual funds and ETFs within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds, ETFs and equity and fixed income securities.

A minimum account value of \$250,000 is required for PWP. In certain instances, LPL will permit a lower minimum account size.

Model Wealth Portfolios Program (MWP)

MWP offers clients a professionally managed mutual fund asset allocation program. We will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. We will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department or third-party portfolio strategists are responsible for selecting the mutual funds or ETFs within a model portfolio and for making changes to the mutual funds or ETFs selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds and ETFs and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

MWP requires a minimum asset value for a program account to be managed. The minimums vary depending on the portfolio(s) selected and the account's allocation amongst portfolios. The lowest minimum for a portfolio is \$25,000. In certain instances, a lower minimum for a portfolio is permitted.

Small Market Solution (SMS) Program

Under SMS, LPL Research (a team of investment professionals within LPL) creates and maintains a series of different investment menus ("Investment Menus") consisting of a mix of different asset classes and investment vehicles ("investment options") for clients that sponsor and maintain participant-directed defined contribution plans ("Plan Sponsors"). The Plan Sponsor is responsible for selecting the Investment Menu that it believes is appropriate based on the demographics and other characteristics of the Plan and its participants. LPL Research is responsible for the selection and monitoring of the investment options made available through Investment Menus. The investment options that are offered through SMS are limited to the specific investments available through the record keeper that the Plan Sponsor selects. The Plan Sponsor may only select an Investment Menu in its entirety and does not have the option to remove or substitute an investment option. Certain other services may also be available. Please refer to LPL's Retirement Plan Programs Brochure.

Guided Wealth Portfolios (GWP)

GWP offers clients the ability to participate in a centrally managed, algorithm-based investment program, which is made available to users and clients through a web-based, interactive account management portal ("Investor Portal"). Investment recommendations to buy and sell exchange-traded funds and open-end mutual funds are generated through proprietary, automated, computer algorithms (collectively, the "Algorithm") of FutureAdvisor, Inc. ("FutureAdvisor"), based upon model portfolios constructed by LPL and selected for the account as described below (such model portfolio selected for the account, the "Model Portfolio"). Communications concerning GWP are intended to occur primarily through electronic means (including but not limited to, email communications or through the Investor Portal), although we will be available to discuss investment strategies, objectives or the account in general in person or via telephone.

A preview of the Program (the “Educational Tool”) is provided for a period of up to forty-five (45) days to help users determine whether they would like to become advisory clients and receive ongoing financial advice from LPL, FutureAdvisor and Redwood by enrolling in the advisory service (the “Managed Service”). The Educational Tool and Managed Service are described in more detail below and in the GWP Program Brochure. Users of the Educational Tool are not considered to be advisory clients of LPL, FutureAdvisor or Redwood, do not enter into an advisory agreement with LPL, FutureAdvisor or Redwood, do not receive ongoing investment advice or supervisions of their assets, and do not receive any trading services.

A minimum account value of \$5,000 is required to enroll in the Managed Service.

Selection of FutureAdvisor as Third-Party Robo Advisor

Redwood have reviewed FutureAdvisor and compared it to other robo advisor options. Redwood believes the investment and educational services are similar to other platforms in the marketplace. The distinguishing benefit of the service is the ability of the client to have the advisor oversee the account and provide advice and assistance when appropriate. Under our agreement with LPL, we were provided the opportunity to offer GWP, which utilizes FutureAdvisor’s Algorithm as described herein, to prospective clients. We are not otherwise affiliated with FutureAdvisor. FutureAdvisor is compensated directly by LPL for its services, including the Algorithm and related software, through an annual sub-advisory fee (tiered based on assets under management by FutureAdvisor, at a rate ranging from 0.10% to 0.17%). As each asset tier is reached, LPL’s share of the compensation shall increase and clients will not benefit from such asset tiers. No additional fee is charged for FutureAdvisor’s services.

We believe that certain clients will benefit from GWP’s advisor-enhanced advisory services, particularly due to the relatively low minimum account balance and the combination of a digital advice solution with access to an advisor. Unlike direct-to-consumer robo platforms, we are responsible on an ongoing basis as investment advisor and fiduciary for the client relationship, including for recommending the program for the client; providing ongoing monitoring of the program, the performance of the account, the services of LPL and FutureAdvisor; determining initial and ongoing suitability of the program for the client; reviewing clients’ suggested portfolio allocations; reviewing and approving any change in Investment Objective due to changes clients make to their Client Profile; answering questions regarding the program, assisting with paperwork and

administrative and operational details for the account; and being available to clients to discuss investment strategies, changes in financial circumstances, objectives or the account in general in person or via telephone. We can also recommend other suitable investment programs if clients have savings goals or investment needs for which GWP is not the optimal solution.

Manager Access Network (MAN) Program

Manager Access Network are separate account platforms available through LPL that offer high-net-worth investors the ability to access a variety of institutional portfolio managers at significantly lower account minimums. These programs enable clients the ability to enjoy a higher level of specialization and service through the ownership of individual securities. Advisors can choose from a broad range of portfolio managers and multiple investment styles including equity, fixed income, balanced, international, ETF, REIT and socially responsible portfolios. We will assist you in identifying a third party separate account manager that addresses your specific profile and investment objectives. The Portfolio Manager manages your assets on a discretionary basis.

A minimum account value of \$100,000 for equity strategies; however, in certain instances, the minimum account size may be lower or higher.

Item 5 – Fees and Compensation

Family and Individual Wealth Management:

Financial Planning Services

Ongoing Financial Planning:

Fees for this planning engagement are determined based on accrual or estimated hours necessary to complete the services requested. Fees normally range from \$1,000 to \$5,000 per year, depending scope and complexity of the plan. The fee schedule is negotiable based upon portfolio size and other business considerations. Following the initial consultation, a specific fee will be quoted to you based upon the expected time and complexity of the initial planning engagement. The Planning Agreement will confirm the fee amount and payment arrangements in writing. One half of the annual planning fee is due upon execution of the Planning Agreement. The remaining fees will be billed at the beginning of each quarter. Financial plans will be presented to you within three (3) months of the agreement date, provided that all information needed to prepare the financial plan has been promptly provided by you.

The Planning Agreement may be terminated at any time by either party upon written notice to the other. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the Planning Agreement. After five (5) business days, you will receive pro-rata refund, which takes into account work we completed on your behalf. You will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by you. Refunds will be given on a pro-rata basis.

Flat Fee Financial Planning:

The hourly fee for this service may be as high as \$400 per hour. Total fees for this service may range from \$500 to \$5,000 depending on the scope and complexity of the plan. Following the initial consultation, a specific fee will be quoted to you. Similar preparation time frames and termination conditions apply as the Ongoing Financial Planning Engagement. The Planning Agreement will confirm the fee in writing. The fee may vary based upon portfolio size and other business considerations. You will be billed one half of the flat fee upon signing of the Planning Agreement and the balance upon completion of the project. The balance is calculated by subtracting initial payment from the actual hours multiplied by the agreed upon hourly fee.

For example, a client may hire us to provide guidance regarding one, multiple, or all of the following areas:

- Tax Planning
- Investment Planning
- Retirement Planning
- Estate Planning
- Cash Flow/Budget Planning
- Personal Financial Planning
- Business Planning
- Education Planning
- Asset Allocation
- Insurance Planning
- Retirement Planning Consulting for a Business

We follow a 4-step process to provide these services:

- Step 1: Discover
- Step 2: Recommend
- Step 3: Implement
- Step 4: Review

Sample Planning Engagement #1 – Flat Fee Financial Planning:

Education Planning: Evaluate client's financial situation, discuss goals and objectives, and recommend strategies to fund education while maximizing financial aid.

Sample Fee Calculation:

Hours to complete project = 8
Hourly Rate = \$200
Flat Fee = \$1,600

Sample Planning Engagement #2 – Ongoing Financial Planning:

Comprehensive Financial Planning Engagement: Project for a \$10 million net worth client who owns a business. This project will require analysis of most areas listed above. The financial complexity and business ownership will create a more complicated engagement than the average case.

Sample Fee Calculation:

Hours to complete project = 25
Hourly rate = \$200
Planning Fee = \$5,000

Hourly Financial Planning:

The hourly fee for this service may be as high \$400 per hour. Total fees for this service may range from \$500 to \$5,000 depending on the scope and complexity of the plan. Similar preparation time frames and termination conditions apply as with the Ongoing Financial Planning Engagement. The Planning Agreement will confirm the fee in writing. The fee may vary based upon portfolio size and other business considerations. You will be billed one half of the estimated fee upon signing of the Planning Agreement and the balance upon completion of the project. The balance is calculated by subtracting initial payment from the actual hours multiplied by the agreed upon hourly fee.

Subscription Fees:

The total annual Subscription Fee may range from \$100 to \$2,000 and will be billed quarterly in advance. Similar payment and termination conditions apply as the Ongoing Financial Planning Engagement. The Planning Agreement will confirm the fee and payment arrangements in writing. The fee may vary based upon portfolio size and other business considerations.

Asset Management Services Redwood Asset Management (RAM) and Strategic Wealth Management (SWM)

The annual fee for this service ranges from 0.50% to 2.5%. Fees are negotiable. Therefore, clients with similar assets under management and investment objectives may pay significantly higher or lower fees than other clients. LPL will deduct Redwood's fee quarterly in advance; however, for the initial fee deduction, LPL will deduct Redwood's fee at the beginning of the quarter following the establishment of the Account and will include a prorated fee for the initial quarter in addition to the quarterly Redwood fee for the upcoming quarter. Subsequent fee deductions will be made at the beginning of each quarter based on the value of the Account assets as of the close of business on the last business day of the preceding quarter. Additional deposits and withdrawals will be added or subtracted from the assets, which may lead to an adjustment of Redwood's fee. Certain accounts may establish procedures to pay Redwood's fee directly rather than through a debit to the Account. The fee schedule may vary based upon portfolio size and other business considerations. You may

terminate this service at any time and a refund will be made on a pro-rata (by day) basis of any fees paid in advance.

Fees for LPL Financial Sponsored Advisory Programs:

The account fee charged to you for each LPL advisory program is negotiable and will fall under the fee range identified above. Account fees are payable quarterly in advance.

LPL serves as program sponsor, investment advisor and broker-dealer for the LPL advisory programs. Redwood and LPL may share in the account fee and other fees associated with program accounts. Our associated persons may also be registered representatives of LPL.

The investment advisory agreement may be terminated at any time by either party upon written notice to the other. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the investment advisory agreement. After five (5) business days, you will receive pro-rata refund, which takes into account work we completed on your behalf. You will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by you. Refunds will be given on a pro-rata basis.

Potential Conflicts of Interest

Transactions in LPL advisory program accounts are generally placed through LPL as the executing broker-dealer.

We receive compensation as a result of a client's participation in an LPL program. Depending on, among other things, the size of the account, type of securities held in the account, changes in its value over time, the ability to negotiate fees or commissions, the historical or expected size or number of transactions, and the number of and range of supplementary advisory and client-related services provided to the client, the amount of this compensation may be more or less than what we would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services. Even though we believe LPL's fee are competitive, lower fees for similar services may be available from other sources.

The account fee may be higher than the fees charged by other investment advisors for similar services. For instance, FutureAdvisor offers direct-to-consumer services similar to GWP. Therefore, clients could generally pay a lower advisory fee for algorithm-driven, automated ("robo") investment advisory services through FutureAdvisor or other

robo providers. However, clients using such direct robo services will forgo opportunities to utilize LPL-constructed model portfolios or to work directly with a financial advisor.

Clients should consider the level and complexity of the advisory services to be provided when negotiating the account fee (or our fee portion of the account fee, as applicable) with Redwood. With regard to accounts utilizing third-party portfolio managers under aggregate, all-in-one account fee structures (including MAS, PWP and the legacy MWP fee structure), because the portion of the account fee retained by Redwood varies depending on the portfolio strategist fee associated with a portfolio, we have a financial incentive to select one portfolio instead of another portfolio.

Upon your written authorization, we may debit investment advisory fees directly from your account and pay such amounts to Redwood. You authorize LPL to accept instructions from Redwood regarding adjustments to Redwood's fees in circumstances such as a fee waiver or credit or a reduction in fee. Adjustments to increase the fee set out in the Account Application may be made only at your instruction. You understand that LPL will not verify that the fees are consistent with those set out in the agreement between you and Redwood. You will see the amounts deducted from the Account on statements and will verify them based on the fee rates you negotiated with Redwood. It is agreed by you that the fee will be payable, first, from free credit balances, if any, in the Account, and second from the liquidation or withdrawal by LPL of your shares of any money market fund balances in any money market account, or balances in any insured deposit account, if applicable. You acknowledge that LPL does not set the fee of Redwood applicable to the Account.

Mutual Fund Internal Expenses:

Because mutual funds pay advisory fees to their investment advisors, such fees are therefore indirectly charged to all holders of mutual fund shares. Clients with mutual funds in their portfolios are effectively paying us and the mutual fund advisor for the management of their assets. Clients who place mutual fund shares under our management are therefore subject to our direct management fee and the indirect management fee of the mutual fund advisor.

Internal advisory fees and expenses are paid by the mutual fund companies to their fund advisers, and/or sub account sponsors. These internal expenses are further outlined in the Fund Companies' Prospectus. The program sponsor may act as broker in connection with mutual funds which are designated for management in the program and thus may receive additional compensation, separate from its Investment Advisory

Program. Redwood only receives a portion of the advisory fee and does not share in the revenue produced by mutual fund investments.

You could invest in a mutual fund directly, without our services. In that case, you would not receive the services we provide which are designed, among other things, to assist you in determining which mutual fund or funds are most appropriate to your financial condition, goals, and objectives. Accordingly, you should review both the fees charged by the funds and the fees we charge to fully understand the total amount of fees to pay and to thereby evaluate the advisory services being provided.

General Information on Advisory Programs and Fees:

Advisory recommendations are based on your financial situation at the time the services are provided and are based on financial information you disclose to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

Fees paid to Redwood are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants (unless you invest through a wrap account – see our Wrap Brochure). Please see Item 12 - Brokerage Practices for additional information. As discussed above, fees paid to us are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). Each client should review all fees charged by funds, brokers, Redwood and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

We shall never have custody of any your funds or securities, as the services of LPL, a qualified and independent custodian will be used for these asset management services.

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

We do not charge performance-based fees (i.e., advisory fees based on a share of the capital gains on or capital appreciation of the assets of a client). Our compensation structure is disclosed in detail in Item 5 above.

Item 7 – Types of Clients

We offer financial and investment advisory services to individuals, pension and profit-sharing plans, charitable organizations, and corporations or other businesses.

The following minimum account sizes apply to the advisory services offered by Redwood. Under certain circumstances, Redwood will consider waiving the minimum account size requirements.

Redwood Asset Management (RAM):

Strategic Wealth Management (SWM):

- Redwood's minimum account size for new client accounts is \$250,000.
- The minimum account value for the Optimum Market Portfolio account (OMP) is \$10,000. In certain instances, LPL will permit a lower minimum account size.
- The minimum account value for the Personal Wealth Portfolio account (PWP) is \$250,000.
- The Model Wealth Portfolio (MWP) requires a minimum asset value for a program account to be managed. The minimums vary depending on the portfolio(s) selected and the account's allocation amongst portfolios. The lowest minimum for a portfolio is \$25,000. In certain instances, a lower minimum for a portfolio is permitted.
- The minimum account value for the Manager Access Select account (MAS) which varies by Portfolio Manager is typically \$100,000 for equity strategies and \$250,000 for fixed income strategies. However, in certain instances, the minimum account size may be lower or higher.

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

Your investment portfolio will be tailored to help you accomplish your unique financial goals and objectives. After developing a thorough understanding of your risk tolerance and short and long-term goals, we will work together to create a customized investment portfolio designed specifically for you. You have the opportunity to place reasonable restrictions or constraints on the way your account is managed; however, such restrictions may affect the composition and performance of your portfolio. For these reasons, performance of the portfolio may not be identical with our average client.

Our investment process involves four (4) steps:

- 1) Discovery: Discuss and evaluate goals, risk tolerance, tax considerations and time horizon.
- 2) Portfolio Construction: Determine asset allocation and recommend specific strategies and securities.
- 3) Implementation: Establish the appropriate accounts, complete funding of accounts and execute initial portfolio trades.
- 4) Monitor and Review: Evaluate performance, provide ongoing due diligence of investment positions, rebalance portfolio and manage tax efficiency.

Redwood maintains a disciplined long-term approach to investing. Investment alternatives may include mutual funds, exchange traded products (ETPs), individual stocks, real estate investment trusts (REITs), individual bonds, structured notes, options, private placements, certificates of deposit (CDs), insured savings accounts and money markets. The selection and use of these investment alternatives may depend on your financial situation. We will rebalance your portfolio periodically to control risk, take profits and enhance tax efficiency. We will reduce or eliminate positions due to lack of performance, to reduce concentrations in a security or sector of the market, to achieve certain tax benefits, to capture profits and to tactically re-allocate holdings. There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

Our affiliation with LPL allows our clients to benefit from their experienced team of professionals. LPL was established in 1968 and is the largest independent broker/dealer in the country with headquarters in Boston, Charlotte and San Diego. They offer research related to asset allocation strategies, portfolio construction,

manager selection, analysis of the markets and they provide tools and resources to enhance our portfolio management process.

We also utilize additional research subscriptions to evaluate and monitor securities which may include:

- Morningstar
- Standard & Poors
- LPL Retirement Partners

Risks, Disclosures and other important information

There are inherent risks involved for each investment strategy or method of analysis we use and the particular type of security we recommend. Investing in securities involves risk of loss, which you should be prepared to bear. Specific risks of our significant investment strategies include:

- **Market Risk:** Overall equity and fixed income securities market risks affect the value of a client's portfolio. Factors such as domestic and international economic growth and market conditions, interest rate levels, and political events affect the securities markets.
- **Fixed Income Risks:** Portfolios that invest in fixed income securities are subject to several general risks, including interest rate risk, credit risk, and market risk, which could reduce the yield that an investor receives from their portfolio. These risks may occur from fluctuations in interest rates, a change to an issuer's individual situation or industry, or events in the financial markets.
- **ETF and Mutual Funds Risk:** ETFs and mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by clients. As a result, the cost of our investment strategies will be higher than the cost of investing directly in ETFs or mutual funds, as there are two levels of fees. ETFs and mutual funds are subject to specific risks, depending on the nature of the fund.

ETFs are professionally managed pooled vehicles that invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. ETF managers trade fund investments in accordance with fund investment objectives. ETF risk can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant

degree, or concentrate in a particular type of security (i.e., equities), rather than balancing the fund with different types of securities.

ETFs can be bought and sold throughout the day like stocks, and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day); however, there is no guarantee this relationship will always occur.

- **Shorting, Margin and Use of Leverage:** Redwood, with the client's consent, may open client accounts as margin accounts and if we elect to use margin, such use can magnify risk to client's accounts. As these are separately managed accounts, use of margin should be discussed with your IAR. Separately managed accounts wishing to use margin are required to complete a margin agreement. Other forms of leverage which Redwood may use, includes options, short sales, and other inverse or leveraged derivative instruments. Redwood also has the ability to short stocks in the client portfolios, and a high level of risk is associated with this strategy. Shorting securities requires the use of margin. Redwood believes shorting provides additional opportunities to make money for margin approved clients if Redwood believes a stock is overvalued. In rare circumstances, structured products may be offered to certain clients. These products often involve a significant amount of risk and should only be offered to clients who have carefully read and considered the products' offering documents, as they are often times based on derivatives. Structured products are intended to be "buy and hold" investments and are not liquid instruments.
- **Cash levels:** From time to time there may be large cash balances in the client accounts, which earn interest at the prevailing money market rates (taxable or tax-free). If we believe it is in the best interest of the clients, Redwood could go to 100% cash in their portfolio, which has risk of return associated with being out of the market.
- **Legal and Regulatory Matters Risks:** Legal developments which may adversely impact investing and investment-related activities can occur at any time. "Legal Developments" means changes and other developments concerning foreign, as well as US federal, state and local laws and regulations, including adoption of new laws and regulations, amendment or repeal of existing laws and regulations, and changes in enforcement or interpretation of existing laws and regulations by governmental regulatory authorities and self-regulatory organizations (such as the SEC, the US Commodity Futures Trading

Commission, the Internal Revenue Service, the US Federal Reserve and the Financial Industry Regulatory Authority). Our management of accounts may be adversely affected by the legal and/or regulatory consequences of transactions effected for the accounts. Accounts may also be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by governmental regulatory authorities or self-regulatory organizations.

- **System Failures and Reliance on Technology Risks:** Our investment strategies, operations, research, communications, risk management, and back-office systems rely on technology, including hardware, software, telecommunications, internet-based platforms, and other electronic systems. Additionally, parts of the technology used are provided by third parties and are, therefore, beyond our direct control. We seek to ensure adequate backups of hardware, software, telecommunications, internet-based platforms, and other electronic systems, when possible, but there is no guarantee that our efforts will be successful. In addition, natural disasters, power interruptions and other events may cause system failures, which will require the use of backup systems (both on- and off-site). Backup systems may not operate as well as the systems that they back-up and may fail to properly operate, especially when used for an extended period. To reduce the impact a system failure may have, we continually evaluate our backup and disaster recovery systems and perform periodic checks on the backup systems' conditions and operations. Despite our monitoring, hardware, telecommunications, or other electronic systems malfunctions may be unavoidable, and result in consequences such as the inability to trade for or monitor client accounts and portfolios. If such circumstances arise, the Investment Committee will consider appropriate measures for clients.
- **Cybersecurity Risk:** A portfolio is susceptible to operational and information security risks due to the increased use of the internet. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyberattacks include, but are not limited to, infection by computer viruses or other malicious software code, gaining unauthorized access to systems, networks, or devices through "hacking" or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cybersecurity failures or breaches by third-party service providers may cause disruptions and impact the service providers' and our business operations, potentially resulting in financial losses, the inability to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement, or other compensation costs, and/or additional compliance costs. While we have

established business continuity plans and risk management systems designed prevent or reduce the impact of such cyberattacks, there are inherent limitations in such plans and systems due in part to the everchanging nature of technology and cyberattack tactics.

- **Pandemic Risks:** The recent outbreak of the novel coronavirus rapidly became a pandemic and has resulted in disruptions to the economies of many nations, individual companies, and the markets in general, the impact of which cannot necessarily be foreseen at the present time. This has created closed borders, quarantines, supply chain disruptions and general anxiety, negatively impacting global markets in an unforeseeable manner. The impact of the novel coronavirus and other such future infectious diseases in certain regions or countries may be greater or less due to the nature or level of their public health response or due to other factors. Health crises caused by the recent coronavirus outbreak or future infectious diseases may exacerbate other pre-existing political, social, and economic risks in certain countries. The impact of such health crises may be quick, severe and of unknowable duration. This pandemic and other epidemics and pandemics that may arise in the future could result in continued volatility in the financial markets and could have a negative impact on investment performance.

The above list of risk factors is not intended to be a complete list or explanation of the risks involved in an investment strategy. You are encouraged to consult your financial advisor, legal counsel and tax professional on an initial and continuous basis in connection with selecting and engaging in the services provided by us. In addition, due to the dynamic nature of investments and markets, strategies may be subject to additional and different risk factors not discussed above.

Item 9 – Disciplinary Information

We do not have any legal, financial or other “disciplinary” items to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client / Adviser relationship with us.

Item 10 – Other Financial Industry Activities and Affiliations

Neither the Company nor any of our management persons (except as disclosed below) are registered, or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or as an associated person of the foregoing entities, except as disclosed below.

In addition, neither the Company nor any of our management persons have any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person that is, under common control and ownership, a:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker,
- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant, or
- Real estate broker or dealer or
- Sponsor or syndicator of limited partnerships.

IARs of Redwood are registered representatives and investment adviser representatives of LPL, a registered broker dealer member FINRA & SIPC and investment advisor with various state regulatory agencies. Redwood has chosen to deliver their services in this fashion in order to offer their clients diverse and extensive investment and planning opportunities. This may represent a conflict of interest since their time is split between two business operations. IARs of Redwood are compensated by a fee based on assets in the advisory accounts or fee for financial planning rather than receiving commissions. Redwood IARs may also provide fee-based retirement

plan services as IARs of LPL. Additionally, Redwood IARs may receive compensation (commission) based upon the sale of an investment product, including distribution and service fees from the sale of mutual funds in non-managed accounts as registered representatives of LPL. Prior to these transactions being executed, registered representatives will disclose this conflict of interest.

Redwood is licensed as an insurance agency with the Ohio Department of Insurance to sell accident & health and life insurance products. Certain IARs are licensed to sell life, health and long-term care insurance products through various companies. Appropriately licensed IARs will receive compensation for the sale of such products. You are under no obligation to purchase insurance products through any particular insurance agency or IAR and may effect any such transactions where you desire.

As part of our duty to you, we attempt at all times to put your interest first and we have implemented a Compliance Program, which includes the periodic monitoring of client accounts to their stated investment objectives. The IARs may spend as much as 25% of their time with LPL and as agents of various insurance companies.

The above affiliation may be considered material. However, we are not under common control and ownership with, and therefore, not affiliated with LPL or any of its affiliates.

Tax Services:

Sunwook Jin has an ownership interest in a separate tax preparation company (ProActive) and may introduce clients to that entity for tax preparation services. This may cause a conflict of interest in that Mr. Jin has a financial incentive to refer clients to ProActive. Redwood and its principals take their fiduciary duty seriously and have developed a compliance program to identify and monitor such outside business activities and clients are under no obligation to use ProActive, or any other recommended tax preparation firm, to meet their tax needs.

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

The Code of Ethics adopted and implemented by Redwood applies to the activities of Redwood, a Registered Investment Adviser, under the Investment Advisers Act of 1940 (as amended—the Advisers Act). All employees of Redwood are deemed by the Advisers Act to be supervised persons² and are therefore subject to this Code of Ethics. In carrying on its daily affairs, Redwood and all of its associated persons shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by the Company’s governing regulatory authority.

Redwood has created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of Redwood might take advantage of that knowledge for their own benefit. We have in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place your interests first; (iii) disclose all conflicts of interest; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to you; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any conflicts of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information. Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to its advisory clients. Our personnel are not permitted

² Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

to transact in securities except under circumstances specified in the Code of Ethics. However, as described below, there may be circumstances where our personnel may buy and sell on behalf of its clients, securities of issuers or other investments in which they own securities or otherwise have an interest. The policy requires all Access Persons³ (defined as investment personnel, which includes portfolio managers, assistant portfolio managers, research analysts and trading room personnel, our officers, and other designated persons) to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics. In the event that you request a copy of Redwood's Code of Ethics, we will furnish a copy within a reasonable period of time to you at your current address of record.

We and our associated persons do not provide recommendations for your accounts in securities that we (or our associated persons) have a material financial interest.

The Company or its associated persons may buy or sell for themselves, investment products that are also recommended to clients. Associated persons should seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are regularly monitored. In instances where the representative buys or sells the same securities as those of their clients, the client's accounts are given priority. Records will be maintained of all securities or insurance products bought or sold by the Company, associated persons or related entities. Such records will be available for inspection upon request.

Files of securities transactions affected for associated persons of the Company will be maintained for review should there be a conflict of interest. The principal of the Redwood will review all securities transactions of our related persons to ensure no conflicts exist with client executions. To prevent conflicts of interest, all employees of Redwood must comply with the firm's Written Supervisory Procedures, which imposes restrictions on the purchase or sale of securities for their own accounts and the accounts of certain affiliated persons.

Notwithstanding the above, Redwood, and/or their officers, directors or employees may purchase for themselves similar or different securities as are purchased or

³ Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

recommended for investment advisory clients of Redwood, and different securities or transactions may be effected or recommended for different investment advisory clients of Redwood.

Pursuant to applicable Federal and/or State Privacy Regulations, Redwood is a financial institution that has determined to keep confidential non-public personal information about each Redwood client.

As discussed above, certain associated persons of Redwood are registered representatives of LPL. As a result of this relationship, LPL may have access to certain confidential information (e.g., financial information, investment objectives, transactions and holdings) about Redwood's clients, even if client does not establish any account through LPL. If you would like a copy of the LPL privacy policy, please contact Redwood.

A full copy of the Redwood's Privacy Policy is provided, upon inception, of a new client and is provided each year thereafter. You may request a copy of Redwood's Privacy Policy and a copy will be furnished within a reasonable period of time to you at your current address of record, at any time.

Item 12 – Brokerage Practices

Based on our business model and the services we offer LPL is our only broker-dealer/custodian.

Redwood may receive from LPL or a mutual fund company, without cost and/or at a discount support services and/or products, certain of which assist Redwood to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Redwood may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Redwood in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist Redwood in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Redwood to manage and further develop its business enterprise.

Redwood's clients do not pay more for investment transactions effected and/or assets maintained at LPL as result of this arrangement. There is no corresponding commitment made by Redwood to LPL or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

In evaluating whether to recommend or require that clients' custody their assets at LPL, we take into account the availability of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by LPL. Clients should be aware that the receipt of such economic benefits by us or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of LPL for custody and brokerage services. To address these potential conflicts of interest, we have developed and implemented a Compliance Program, which includes a review of the services and execution quality we receive from LPL.

In addition, associated persons of Redwood, in their capacities as registered representatives of LPL may suggest that clients implement recommendations through LPL. If the client chooses to do so, this would present a conflict of interest to the extent

that registered representatives could receive commissions as registered representatives or compensation as IARs of Redwood.

Clients are under no obligation to implement recommendations through the registered representatives but if they do so, they may pay commissions or fees that are higher or lower than those that may be obtained from elsewhere for similar services. LPL is a broker-dealer and an investment adviser with which Redwood's IARs are also associated. As a result of the individual association of Redwood's IARs with LPL, Redwood is generally required to utilize the brokerage/custodial services of LPL for investment advisory accounts. To the extent otherwise applicable to the transactions to be effected directly by Redwood, Redwood's general policies relative to the execution of client securities brokerage transactions are as follows:

Execution of Brokerage Transactions (when applicable). Redwood reasonably believes LPL will provide "best execution". In seeking "best execution", the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of the broker-dealer's services including execution capability, commission rates, and responsiveness. Accordingly, although Redwood will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.

Transactions for each client account generally will be effected independently. In the event that the transactions for a client's accounts are effected through a broker-dealer that refers investment management clients to Redwood, there exists the potential for conflict of interest if the accounts incur higher commission or transaction costs than the accounts would otherwise have incurred had the client determined to effect account transactions through alternative clearing arrangements that may have been available through Redwood.

We do not have directed brokerage or soft dollar arrangements, nor do we execute transactions on a principal or agency cross basis.

Item 13 – Review of Accounts

The Chief Compliance Officer (“CCO”) has implemented sample compliance reviews (which leverage internal checklists and review schedules) to help manage review of advisory accounts, in addition to at least annual meetings between the IAR and their clients. This surveillance system allows the CCO to identify performance issues, asset allocation issues, lack of transactions and concentrated positions. The review process is completed on a sample basis monthly. The review covers evaluation of the account’s asset allocation against the recommended allocation for that particular investment objective. The process also includes evaluation of the account’s performance against benchmarks of similar investment objectives. Changes in an account holder’s personal, tax, or financial status may trigger additional reviews as well as macroeconomic and company specific events.

Clients will receive written transaction confirmations and/or statements monthly or at least quarterly from the account custodians. Collectively, these reports will list client’s account holdings, transactions and fees paid to us.

Item 14 – Client Referrals and Other Compensation

Our IARs will typically receive compensation from firms in which the client implements non-security transactions (e.g., insurance products). Additionally, in their capacities as registered representatives of LPL, our IARs also receive commissions or fees from LPL or payments on certain variable insurance products, mutual funds, or other brokerage products offered through LPL, as compensation, representing a separate financial interest. Redwood would not charge a fee on such products and any commission will be fully disclosed to the client. As such, a conflict of interest exists with respect to recommendations to buy or sell such securities, due to the additional compensation received. In all cases, transactions are effected in the best interests of the client and Redwood has created and implemented a compliance program to monitor such activity.

In addition, from time to time, mutual fund companies, insurance companies or their personnel pay for client luncheons, or other events, that Redwood hosts. This can include 3rd party speakers that Redwood does not have to compensate. These arrangements also give rise to conflicts of interest, or perceived conflicts of interest in that Redwood has an incentive to invest client assets in mutual funds or insurance companies that provide such benefits to Redwood. Our commitment to our clients and the policies and procedures we have adopted that require the review of such arrangements by the CCO are designed to limit any interference with Redwood's independent decision making when choosing the best products or securities for our clients.

Furthermore, we have arrangement in place compensate certain persons who are not our supervised person for client referrals. Compensation varies from 5% - 25% and is calculated based on fees paid to us from a planning or advisory services engagement. Compensation provided can include a one-time payment or it may continue on a recurring basis over a specified period of time. Such solicitation arrangements will comply with the requirements set out in the SEC Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the investment adviser be disclosed to the client at the time of the solicitation or referral. In any such case, applicable state laws may require these solicitors to become either licensed as our IARs or as an independent investment adviser. The client will be requested to acknowledge this arrangement prior to acceptance of the clients' funds.

Refer to Items 5, 10, and 12 above for details of our compensation structure as well as any other compensation our IARs may receive.

Item 15 – Custody

We do not have custody of client funds or securities; however, upon written consent from you, we may have the authority to deduct the advisory fees directly from your account. Client assets are held at a qualified custodian. However, we are deemed to have limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. In addition, we are also deemed to have custody of clients' funds or securities when clients have standing letters of authorizations ("SLOAs") with their custodian to move money from a client's account to a third-party, and under that SLOA it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. The qualified custodian will send you, at least quarterly, your account statements. The account statements will reveal the funds and securities held with the qualified custodian, any transactions that occurred in your account, and the deduction of our fee. You should carefully review the account statements received from the qualified custodian and compare them with any statements that you receive from us. You should contact us at the address or phone number on the cover of this brochure with any questions about your statements. You should notify us if you do not receive the account statements, at least quarterly, from the qualified custodian.

Item 16 – Investment Discretion

In order to manage portfolios effectively, we believe we should have the authority to determine without obtaining specific client consent, the securities to be bought and sold and/or the amount of securities to be bought or sold for your account. You have the right to place reasonable restrictions on such authority. Any restrictions must be submitted to us in writing. Execution of the client agreement grants us permission to exercise this authority.

As our sole broker dealer/custodian, we will place orders for the execution of transactions with or through LPL, and complying with Section 28(e) of the Securities Exchange Act of 1934, may pay a commission on transactions in excess of the amount of commission another broker or dealer would have charged.

In managing investment portfolio, we act in a manner in keeping with what we understand and believe to be in your best interest.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

We do not have, nor will we accept authorization to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients should contact their custodian or a transfer agent with questions about a particular solicitation.

Redwood does not render advice to or take any actions on behalf of clients with respect to any legal proceedings including bankruptcies and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject, and does not initiate or pursue legal proceedings, including without limitation shareholder litigation, on behalf of clients with respect to transactions, securities, or other investments held in client accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation with respect to transactions, securities or other investments held in client accounts is expressly reserved to the client.

Item 18 – Financial Information

We are not required to provide Redwood Financial Network Corp financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- currently have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Additionally, we have not been the subject of a bankruptcy petition at any time during the past ten years, nor do we foresee such action in the future. We have not, and do not plan client advisory fee increases, and continue to seek greater efficiencies, including no-transaction-fee investment options for our clients.

While not anticipated, should our financial condition change we will notify you and explain the steps we intend to take to address them. Please always feel comfortable to contact us at any time.

Item 19 – Requirements for State-Registered Advisers

We are an SEC registered investment adviser, so this section does not apply to us.