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**Form ADV Part 2A - Firm Brochure  
Item 1: Cover Page  
November 2017**

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**Crafted Wealth Management**

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This brochure provides information about the qualifications and business practices of Gross Domestic Product, Inc. dba Crafted Wealth Management. If you have any questions about the contents of this brochure, please contact us by telephone at 310-341-2890 or email at [compliance@gdpwealth.com](mailto:compliance@gdpwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority. Additional information about Crafted Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Crafted Wealth Management and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and its employees.

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## Item 2: Material Changes

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Crafted Wealth Management is required to make clients aware of information that has changed since the last annual update to the Firm Brochure (“Brochure”) and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

Since the last annual amendment filed on January 11, 2017, the following changes have been made:

1. Starting July 1, 2017, our firm may conduct business under our DBA Crafted Wealth Management. Please refer to Item 4 and Crafted Wealth Management’s separately branded ADV for additional information.
2. Our firm now offers Crafted Wealth Financial Planning Services Please refer to Item 4 and Item 5 for additional information.
3. Our firm has removed Indexing and Alternatives Portfolios as a service. Please see Item 4 and Item 5 for additional information.
4. Our firm has updated our brokerage practices & other compensation sections to reflect our relationship with TD Ameritrade.

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### Item 3: Table of Contents

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<u>Section:</u>	<u>Page(s):</u>
Item 1. Cover Page .....	1
Item 2. Material Changes .....	2
Item 3. Table of Contents.....	3
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation .....	6
Item 6. Performance-Based Fees and Side-By-Side Management .....	9
Item 7. Types of Clients and Account Requirements.....	9
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Item 9. Disciplinary Information .....	12
Item 10. Other Financial Industry Activities and Affiliations .....	13
Item 11. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	13
Item 12. Brokerage Practices .....	14
Item 13. Review of Accounts or Financial Plans .....	17
Item 14. Client Referrals and Other Compensation.....	18
Item 15. Custody .....	19
Item 16. Investment Discretion .....	20
Item 17. Voting Client Securities.....	20
Item 18. Financial Information.....	21
Item 19. Requirements For State-Registered Advisers.....	21

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## Item 4: Advisory Business

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A. Description of our advisory firm, including how long we have been in business and our principal owner(s).

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Crafted Wealth Management is a fictitious business name of Gross Domestic Product, Inc., a corporation formed in the State of California which has been in business as an investment adviser since 2008. The firm is one hundred (100%) percent owned by Scott Bell

All material conflicts of interest under CCR Section 260.238 (k) are disclosed below regarding our firm, our representatives or our employees, which could be reasonably expected to impair the rendering of unbiased and objective advice. To comply with CCR Section 260.238(j), we disclose that lower fees for comparable services may be available from other sources.

B. Description of the types of advisory services we offer.

(i) Asset Management

As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client’s individual needs, stated goals and objectives.

(ii) Crafted Wealth Financial Planning

As part of the Crafted Wealth Financial Planning service clients will be provided with two financial planning service options. These services are detailed below:

*Comprehensive Financial Planning:*

Our Comprehensive Financial Planning service involves working one-on-one with our planners over an extended period. Clients who wish to engage with this service will engage in three to four one-on-one conversations with our planners to help discover their goals, thoughts, and values around their wealth. That discussion along with a comprehensive questionnaire that will be completed by the client will provide our firm with information to help us analyze the clients net worth, cash flow, insurance, credit scores/reports, employee benefit, retirement planning, insurance, investments, college planning and estate planning. Once the information is reviewed, our planners will build a comprehensive financial plan (“The Plan”). The Plan’s findings, analysis and potential changes due to the client’s current situation will be reviewed with the client. Clients subscribing to this service will receive a written or an electronic report, providing the client with

a detailed financial plan designed to achieve his or her stated financial goals and objectives. If a follow up meeting is required, we will meet at the client's convenience. The Plan and the client's financial situation and goals will be monitored throughout the year and follow-up phone calls and emails will be made to the client to confirm that any agreed upon action steps have been carried out. Our firm will meet with client's two to four times per year to review The Plan to ensure its accuracy and ongoing appropriateness. Any needed updates will be implemented at that time.

*Hourly Financial Planning/Consulting:*

Our Hourly Financial Planning service involves financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Cash Flow and Debt Management, College Savings, Employee Benefit Optimization, Insurance Analysis, Risk Management, Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we may refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations.

For financial consulting engagements, we usually do provide our clients with a written summary of our observations and recommendations but the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

Section 260.235.2 of the California Code of Regulations ("CCR") requires that we disclose to our financial planning clients that a conflict of interest exists between us and our clients. The client is under no obligation to act upon the investment adviser's recommendation. If the client elects to act on our recommendations, the client is under no obligation to implement the plan through us.

- C. Explanation of whether (and, if so, how) (i) we tailor our advisory services to the individual needs of clients and (ii) whether clients may impose restrictions on investing in certain securities or types of securities.

(i) We offer individualized investment advice to clients utilizing our firm's Asset Management service. General investment advice will be offered to our Crafted Wealth Financial Planning clients.

(ii) We usually do not allow clients with less than \$500,000 to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the instance that we would allow restrictions, it would be limited to our firm's Asset Management service.

D. Participation in wrap fee programs.

We do not provide wrap fee programs.

E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis.

We manage 69,169,206 on a discretionary basis and \$2,909,581 on a non-discretionary basis as of August 15, 2017.

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## Item 5: Fees and Compensation

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We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally negotiable.

A. Description of how we are compensated for our advisory services provided to you.

(i) Asset Management:

Our annual fees for Asset Management shall be based on a negotiated percentage of the market value of the assets under management not to exceed 1.00%.

For Charles Schwab and TD Ameritrade Custodied Accounts:

Our firm's annualized fees are billed on a pro-rata basis quarterly in advance based on the value of your account on the last day of the previous quarter or the opening balance at the time of enrollment of the Asset Management Service. Fees are negotiable and in rare case, our firm will agree to directly invoice. However, legacy clients may be offered discounts based on the terms of previously executed agreements.

For Interactive Brokers Custodied Accounts:

Our firm's annualized fees are billed on a pro-rata basis quarterly in arrears based on the value of your account on the last day of the quarter. Fees are negotiable and in rare cases our firm will agree to directly invoice. However, legacy clients may be offered discounts based on the terms of previously executed agreements.

(ii) Crafted Wealth Financial Planning

*Comprehensive Financial Planning:*

Fees are negotiable and based off a percentage of Net Worth or Income with all fees being rounded down. The ongoing annual fee for this service shall begin when The Plan is completed and the on-going Comprehensive Financial Planning relationship begins. Annualized fees are billed in advance in either monthly or quarterly installments (based on the client's selected preference).

Comprehensive Financial Planning Fee Schedule:

<u>Client Net Worth</u>	<u>Annual Fee Percentage</u>
\$0 to \$2,500,000	0.50%
Over \$2,500,000	0.25%

  

<u>Client Income</u>	<u>Annual Fee Percentage</u>
Income	1.00%

Clients are subject to a minimum fee of \$30,000 annually.

*Hourly Financial Planning/Consulting:*

We charge on an hourly for hourly financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees generally range from \$150 to \$250.

B. Description of whether we deduct fees from clients' assets or bill clients for fees incurred.

The advisory fees for managed accounts determined in the client's advisory agreement will be deducted from the account unless otherwise designated. As part of this process, the client is made aware of the following:

- a) Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- b) Our firm sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy; and
- c) The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

For Crafted Wealth Financial Planning Clients

We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$500 when services cannot be rendered within 6 (six) months.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

D. Client's advisory fees are due quarterly in advance and paid in advance.

For Charles Schwab and TD Ameritrade Custodied Accounts:

We charge our advisory fees quarterly in advance. Either party may terminate the advisory agreement signed with our firm for Asset Management services in writing at any time. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees charged in advance at the beginning of the quarter.

For Interactive Brokers Custodied Accounts:

We charge our advisory fees quarterly in arrears. Either party may terminate the advisory agreement signed with our firm for Asset Management services in writing at any time. You need to contact us in writing and state that you wish to terminate our services. Upon notice of termination pro-rata advisory fees for services rendered to the point of termination will be charged. If advisory fees cannot be deducted, our firm will send an invoice for due advisory fees to the client.

For Crafted Wealth Financial Planning Clients:

Crafted Wealth Financial Planning clients may terminate their agreement for any Crafted Wealth Financial Planning service at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by us up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm. Once the plan is delivered, either party may terminate any of the ongoing Crafted Wealth Financial Planning services in writing at any time. Upon receipt of your notice for termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees charged in advance at the beginning of the quarter or month.

E. Commissionable securities sales.

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. We have chosen not to do so.



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

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We do not charge performance fees to our clients.

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## Item 7: Types of Clients and Account Requirements

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We have the following types of clients:

- Individuals and High Net-Worth Individuals

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We generally have an account minimum at this time of roughly \$100,000 of investable assets, although we may forgo this requirement with special consideration to certain circumstances, i.e. child of existing client, future increased portfolio size, etc.
  - The account minimum and minimum fee are generally negotiable.
  - Comprehensive Financial Planning clients are subject to a minimum annual fee of \$30,000.
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## Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

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- A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

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

### Methods of Analysis

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**Cyclical Analysis:** Statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include that cycles may invert or disappear and there is no expectation that this type of analysis will pinpoint turning points, instead be used in conjunction with other methods of analysis.

**Fundamental Analysis:** The analysis of a business's financial statements (usually to analyze the business's assets, liabilities, and earnings), health, and its competitors and markets. When analyzing a stock, futures contract, or currency using fundamental analysis there are two basic approaches one can use: bottom up analysis and top down analysis. The terms are used to distinguish such analysis from other types of investment analysis, such as quantitative and technical. Fundamental analysis is

performed on historical and present data, but with the goal of making financial forecasts. There are several possible objectives: (a) to conduct a company stock valuation and predict its probable price evolution; (b) to make a projection on its business performance; (c) to evaluate its management and make internal business decisions; (d) and/or to calculate its credit risk.; and (e) to find out the intrinsic value of the share.

When the objective of the analysis is to determine what stock to buy and at what price, there are two basic methodologies investors rely upon: (a) Fundamental analysis maintains that markets may misprice a security in the short run but that the "correct" price will eventually be reached. Profits can be made by purchasing the mispriced security and then waiting for the market to recognize its "mistake" and reprice the security.; and (b) Technical analysis maintains that all information is reflected already in the price of a security. Technical analysts analyze trends and believe that sentiment changes predate and predict trend changes. Investors' emotional responses to price movements lead to recognizable price chart patterns. Technical analysts also analyze historical trends to predict future price movement. Investors can use one or both of these different but complementary methods for stock picking. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis:** A security analysis methodology for forecasting the direction of prices through the study of past market data, primarily price and volume. A fundamental principle of technical analysis is that a market's price reflects all relevant information, so their analysis looks at the history of a security's trading pattern rather than external drivers such as economic, fundamental and news events. Therefore, price action tends to repeat itself due to investors collectively tending toward patterned behavior – hence technical analysis focuses on identifiable trends and conditions. Technical analysts also widely use market indicators of many sorts, some of which are mathematical transformations of price, often including up and down volume, advance/decline data and other inputs. These indicators are used to help assess whether an asset is trending, and if it is, the probability of its direction and of continuation. Technicians also look for relationships between price/volume indices and market indicators. Technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns. Technical analysis is widely used among traders and financial professionals and is very often used by active day traders, market makers and pit traders. The risk associated with this type of analysis is that analysts use subjective judgment to decide which pattern(s) a particular instrument reflects at a given time and what the interpretation of that pattern should be

## **Investment Strategies & Asset Classes**

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**Long-Term Purchases:** Our firm may buy securities for your account and hold them for a relatively long time (more than a year) in anticipation that the security's value will appreciate over a long horizon. The risk of this strategy is that our firm could miss out on potential short-term gains that could have been profitable to your account, or it's possible that the security's value may decline sharply before our firm make a decision to sell.

**Margin Transactions:** Our firm may purchase stocks, mutual funds, and/or other securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock

than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. Margin accounts and transactions are risky and not necessarily appropriate for every client. The potential risks associated with these transactions are (1) You can lose more funds than are deposited into the margin account; (2) the forced sale of securities or other assets in your account; (3) the sale of securities or other assets without contacting you; and (4) you may not be entitled to choose which securities or other assets in your account(s) are liquidated or sold to meet a margin call.

**Options:** An option is a financial derivative that represents a contract sold by one party (the option writer) to another party (the option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Options are extremely versatile securities. Traders use options to speculate, which is a relatively risky practice, while hedgers use options to reduce the risk of holding an asset. In terms of speculation, option buyers and writers have conflicting views regarding the outlook on the performance of an

*Call Option:* Call options give the option to buy at certain price, so the buyer would want the stock to go up. Conversely, the option writer needs to provide the underlying shares in the event that the stock's market price exceeds the strike due to the contractual obligation. An option writer who sells a call option believes that the underlying stock's price will drop relative to the option's strike price during the life of the option, as that is how he will reap maximum profit. This is exactly the opposite outlook of the option buyer. The buyer believes that the underlying stock will rise; if this happens, the buyer will be able to acquire the stock for a lower price and then sell it for a profit. However, if the underlying stock does not close above the strike price on the expiration date, the option buyer would lose the premium paid for the call option.

*Put Option:* Put options give the option to sell at a certain price, so the buyer would want the stock to go down. The opposite is true for put option writers. For example, a put option buyer is bearish on the underlying stock and believes its market price will fall below the specified strike price on or before a specified date. On the other hand, an option writer who shorts a put option believes the underlying stock's price will increase about a specified price on or before the expiration date. If the underlying stock's price closes above the specified strike price on the expiration date, the put option writer's maximum profit is achieved. Conversely, a put option holder would only benefit from a fall in the underlying stock's price below the strike price. If the underlying stock's price falls below the strike price, the put option writer is obligated to purchase shares of the underlying stock at the strike price.

The potential risks associated with these transactions are that (1) all options expire. The closer the option gets to expiration, the quicker the premium in the option deteriorates; and (2) Prices can move very quickly. Depending on factors such as time until expiration and the relationship of the stock price to the option's strike price, small movements in a stock can translate into big movements in the underlying options.

**Short-Term Purchases:** When utilizing this strategy, our firm may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). Our firm do this in an attempt to take advantage of conditions that our firm believe will soon result in a price swing in the securities our firm purchase. The potential risk associated with this investment strategy is associated with the currency or exchange rate. Currency or exchange rate risk is a form of risk that arises from the change in price of one currency against another. The constant fluctuations in the foreign currency in which an investment is denominated vis-à-vis one's home currency may add risk to the value of a

security. Currency risk is greater for shorter term investments, which do not have time to level off like longer term foreign investments.

**Short Sales:** A short sale is a transaction in which an investor sells borrowed securities in anticipation of a price decline and is required to return an equal number of shares at some point in the future. These transactions have a number of risks that make it highly unsuitable for the notice investor. This strategy has a slanted payoff ratio in that the maximum gain (which would occur if the shorted stock was to plunge to zero) is limited, but the maximum loss is theoretically infinite (since stocks can in theory go up infinitely in price). The following risks should be considered: (1) In addition to trading commissions, other costs with short selling include that of borrowing the security to short it, as well as interest payable on the margin account that holds the shorted security. (2) The short seller is responsible for making dividend payments on the shorted stock to the entity from whom the stock has been borrowed. (3) Stocks with very high short interest may occasionally surge in price. This usually happens when there is a positive development in the stock, which forces short sellers to buy the shares back to close their short positions. Heavily shorted stocks are also susceptible to “buy-ins,” which occur when a broker closes out short positions in a difficult-to-borrow stock whose lenders are demanding it back. (4) Regulators may impose bans on short sales in a specific sector or even in the broad market to avoid panic and unwarranted selling pressure. Such actions can cause a spike in stock prices, forcing the short seller to cover short positions at huge losses. (5) Unlike the “buy-and-hold” investor who can afford to wait for an investment to work out, the short seller does not have the luxury of time because of the many costs and risks associated with short selling. Timing is everything when it comes to shorting. (5) Short selling should only be undertaken by experienced traders who have the discipline to cut a losing short position, rather than add to it hoping that it will eventually work out.

**Please note:** Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

- B. Our practices regarding cash balances in client accounts, including whether we invest cash balances for temporary purposes and, if so, how.

We generally invest client’s cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client’s cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to asset management service.

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## Item 9: Disciplinary Information

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We have no legal or disciplinary events to disclose that are material to a client’s or prospective client’s evaluation of our advisory business or the integrity of our management.

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## Item 10: Other Financial Industry Activities and Affiliations

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Our firm has no other financial industry activities and affiliations to disclose.

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

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As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is the underlying principle for our firm's Code of Ethics, which includes procedures for personal securities transaction and insider trading. Our firm requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with our firm, and at least annually thereafter, all representatives of our firm will acknowledge receipt, understanding and compliance with our firm's Code of Ethics. Our firm and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Our firm recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, our firm also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, our firm has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, our firm has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

Neither our firm nor a related person recommends, buys or sells for client accounts, securities in which our firm or a related person has a material financial interest without prior disclosure to the client.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of our firm buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons

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<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

will place client interests ahead of their own interests and adhere to our firm’s Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day unless included in a block trade.

### **Compliance with Department of Labor Fiduciary Rule**

Our firm provides investment advice to assets affected by the Department of Labor (“DOL”) Fiduciary Rule for a level fee. As such, we abide by the Impartial Conduct Standards as defined by the DOL. To comply with these standards, our firm and our advisors give advice that is in our clients’ best interest, charge no more than reasonable compensation (within the meaning of ERISA Section 408(b)(2) and Internal Revenue Code Section 4975(d)(2), and make no misleading statements about investment transactions, compensation, conflicts of interest, and any other matters related to investment decisions.

As a level-fee fiduciary, we maintain a non-variable compensation structure that is provided on the basis of a fixed percentage of the value of assets or a set fee that does not vary with the particular investment recommended, as opposed to a commission or other transaction based fee.

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## **Item 12: Brokerage Practices**

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### **Custodian & Brokers Used:**

We do not maintain custody of client assets that we manage, although we may be deemed to have constructive custody of client assets if our firm is given the authority to withdraw assets from client account(s) (see “Item 15: Custody”). Client assets must be maintained in an account at a “qualified custodian,” generally a broker/dealer or bank. We recommend TD Ameritrade, Inc (“TD Ameritrade”), Charles Schwab & Co., Inc. (“Schwab”), and Interactive Brokers, LLC (collectively “Recommended Custodians”), members FINRA/SIPC, as the qualified custodian from whom we are independently owned and operated. The Recommended Custodians will hold client assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that clients use the Recommended Custodians, clients will decide whether to do so and will open an account with the Recommended Custodians by entering into an account agreement directly with them. We do not open the account for clients, although we may assist in doing so. If clients do not wish to place their assets with the Recommended Custodians, we will not be able manage the account(s).

Not all advisors require their clients to use a particular broker-dealer or other custodian selected by the advisor. Even though a client account is maintained at the Recommended Custodians, we can still use other brokers to execute trades for that account as described below (see “Client Brokerage & Custody Costs”).

### **Selection of Custodian & Broker:**

Our firm seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

#### Client Brokerage & Custody Costs

The Recommended Custodians generally do not charge clients separately for custody services but are compensated by charging clients commissions or other fees on trades that it executes or that settle into the client's account(s). Schwab generally does not charge a separate fee for custody services, but is compensated by charging commissions or other fees to clients on trades that are executed or that settle into the Schwab account. In addition to commissions Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that our firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation paid to the executing broker-dealer. Because of this, in order to minimize client trading costs, our firm has Schwab execute most trades for the accounts. This commitment benefits the client because the overall commission rates paid are often lower than they would be otherwise.

As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of the Recommended Custodians for custody and brokerage services.

#### Products & Services Available to Us

Our firm recommends Schwab Advisor Services™ (formerly called Schwab Institutional®) and the TD Ameritrade Institutional Program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. Schwab and TD Ameritrade offer services to independent investment advisors which include custody of securities, trade execution, clearance and settlement of transactions. Our firm receives some benefits from TD Ameritrade through its participation in the Program.

TD Ameritrade and Schwab provide our firm and our clients with access to institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to retail

customers. The Recommended Custodians also make available various support services. Some of those services help us manage or administer our client accounts, while others help us manage and grow our business. The Recommended Custodians' support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of the provided support services:

#### Services That Benefit Clients

The Recommended Custodians' brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through TD Ameritrade and Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

#### Services That May Not Directly Benefit Clients

Other products and services that benefit us, but may not directly benefit clients or client account(s), may be made available to our firm. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the Recommended Custodians' own and that of third parties. This research may be used to service all or a substantial number of our client accounts, including accounts not maintained with the Recommended Custodians. In addition to investment research, the Recommended Custodians may also make available software and other technology that provide the following:

- Access to client account data (such as duplicate trade confirmations and account statements)
- Research related products and tools
- Trade execution
- Block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts)
- Pricing and other market data
- Payment of our fees from our clients' accounts
- Back-office functions, recordkeeping, and client reporting

#### Services That Generally Benefit Us

The Recommended Custodians may also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

The Recommended Custodians may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. The Recommended Custodians may also discount or waive fees for some of these services or pay all or a part of a third party's fees. They may also provide us with other benefits, such as occasional business entertainment of our personnel.



## Our Interest in These Services

The availability of these services from the Recommended Custodians benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. The \$10 million minimum may give us an incentive to require that clients maintain their account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on client interest in receiving the best value in custody services and the most favorable execution of transactions. Although this is a potential conflict of interest, we believe that our selection of Schwab as custodian and broker is in the best interests of our clients. TD Ameritrade also requires our clients collectively keep a total of at least \$10 million of their assets in accounts with TD Ameritrade. However, this minimum has been waved because of our firm's membership with the XY Planning Network. Interactive Brokers does not require that our firm collectively maintain a minimum total of assets under management. Our Recommended Custodians' selection is primarily supported by the scope, quality, and price of services (see "How We Select Brokers/Custodians") and not services that benefit only us.

## Aggregation of Purchase or Sale

Our firm provides investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when our firm believes that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, our firm attempts to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

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## Item 13: Review of Accounts or Financial Plans

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A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

We review accounts for our clients at least quarterly and on an on-going basis. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews.

Crafted Wealth Financial Planning clients who engage in our Comprehensive Financial Planning services will obtain reviews on at least an annual basis or more frequently depending on the service selected and the need of such reviews. Hourly Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us and do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan.

- B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

Our firm does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Asset Management clients are contacted.

As also mentioned in Item 13A of this Brochure, Crafted Wealth Financial Planning clients who engage in our Comprehensive Financial Planning services will obtain reviews on at least an annual basis or more frequently depending on the service selected and the need of such reviews. Hourly Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us and do not receive written or verbal updated reports regarding their financial plans unless they separately engage our firm for a post-financial plan meeting or update to their initial written financial plan

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## Item 14: Client Referrals and Other Compensation

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- A. If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

### **TD Ameritrade:**

Our firm may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice given to Clients, although our firm receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to our firm by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our firm's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit our firm but may not benefit its Client accounts. These products or services may assist our firm in managing and administering Client accounts, including accounts not

maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help our firm manage and further develop its business enterprise. The benefits received by our firm or personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, our firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence our firm's choice of TD Ameritrade for custody and brokerage services.

**Schwab:**

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

- B. If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with State rules and statutes.

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## Item 15: Custody

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State Securities Bureaus generally take the position that any arrangement under which a registered investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the adviser's instruction to the custodian is deemed to have custody of client funds and securities. As such, our firm has adopted the following safeguarding procedures:

- a) Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- b) Our firm sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy; and
- c) The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

The SEC issued a no-action letter ("Letter") with respect to the Rule 206(4)-2 ("Custody Rule") under the Investment Advisers Act of 1940 ("Advisers Act"). The letter provided guidance on the Custody Rule as

well as clarified that an adviser who has the power to disburse client funds to a third party under a standing letter of instruction (“SLOA”) is deemed to have custody. As such, our firm has adopted the following safeguards in conjunction with Recommended Custodians :

- The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
- The client authorizes the investment adviser, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
- The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
- The client has the ability to terminate or change the instruction to the client’s qualified custodian.
- The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
- The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
- The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

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### **Item 16: Investment Discretion**

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Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm’s written acknowledgement.

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### **Item 17: Voting Client Securities**

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We do not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

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## Item 18: Financial Information

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We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$500 in fees and six or more months in advance.
  - We do not take custody of client funds or securities.
  - We do not have a financial condition or commitment that impairs its ability to meet contractual and fiduciary obligations to clients.
  - We have never been the subject of a bankruptcy proceeding.
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## Item 19: Requirements for State-Registered Advisers

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**Scott A. Bell** | *Year of Birth:* 1974

Formal Education after high school:

- Western State College of Colorado, BA in Economics, *Magna Cum Laude*

Business Background

- 2008 – Present, Gross Domestic Product, Inc., CEO
- 2000 – 2008, Morgan Stanley, Financial Advisor catering to HNW families and non-profit institutions

Licenses and Other Professional Designations:

- 12/2000 – Series 7
- 02/2001 – Series 63
- 02/2001 – Series 65
- 03/2001 – Series 31
- 04/2007 – Series 9
- 04/2007 – Series 10

**Gabriel B. Anderson** | *Year of Birth:* 1986

Formal Education after high school:

- 2010; University of Wisconsin; BA in Finance w/ Real Estate Certificate

Business Background

- 05/2017 – Present      Gross Domestic Product, Inc. dba Crafted Wealth Management; Director of Financial Planning
- 10/2015 – 05/2017      Crafted Wealth Management, LLC; Managing Member & CCO
- 05/2012 – 10/2015      Northwestern Mutual - Michael Waxberg; Associate Wealth Management Advisor

- 09/2011 – 09/2015 Genuine European Parts, LLC;  
Owner
- 05/2011 – 03/2012 Gerald Schuelke;  
Associate Wealth Management Advisor
- 05/2010 – 05/2011 Northwestern Mutual;  
Financial Representative
- 08/2006 – 05/2010 University of Wisconsin - Milwaukee;  
Student

Licenses and Other Professional Designations:

- 02/2011 – Series 6
- 07/2011 – Series 7
- 07/2011 – Series 66
- 01/2013 – Chartered Life Underwriter (CLU®)
- 06/2013 – Chartered Financial Consultant (ChFC®)
- 08/2013 – Certified Financial Planner (CFP®)

**Erika Ruth Saba** | *Year of Birth: 1974*

Formal Education after High School:

- 2007; University of Phoenix; Associate of Arts Degree
- 2011; University of Phoenix; Bachelor of Arts Degree – Business Management

Business Background:

- 01/2012 - Present; Gross Domestic Product, Inc.;  
Director of Operations/Chief Compliance Officer
- 11/1998 – 11/2011; Marc E. Anderson, Inc.;  
Director of Operations

Licenses and Other Professional Designations:

- 08/2006 – Series 24
- 01/2006 – Series 66
- 11/2005 – Series 7

Ms. Saba filed Chapter 7 for bankruptcy with the United States Bankruptcy Court on 09/09/2008. The filing was discharged on 04/16/2009. The docket/case number is 2:08-BK-22866-RN.

Aside from the aforementioned, our firm is not actively engaged in any other business other than giving investment advice nor do we charge performance-based fees. Our firm and management persons have not been involved in any arbitration awards, civil, self-regulatory organization or administrative proceedings nor have any relationships with issuers of securities apart from what is disclosed above.