

**Item 1 - Cover Page**



**M O S A I C**  
Wealth Strategies LLC

Registered Investment Advisor  
CRD # 291032

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Form ADV Part 2A  
Firm Brochure  
March 6, 2020

This brochure provides information about the qualifications and business practices of Mosaic Wealth Strategies LLC. Please contact Leila Dudley at (803)666-0331. If you have any questions about the content of this brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about Mosaic Wealth Strategies LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD ("CRD") number, which is 291032.

While the firm and its associates may be registered and/or licensed within a particular jurisdiction, that registration and/or licensing in itself does not imply an endorsement by any regulatory authority, nor does it imply a certain level of skill or training on the part of the firm or its associated personnel.

## **Item 2 - Material Changes**

The firm has amended its Form ADV Part 2 advisory brochure from the previous version dated January 14, 2019

The material changes are as follows:

1. In ADV Part 2a and ADV Part 2b company address and phone numbers have been changed for the company, Leila Dudley and Leila Schaefer.
2. LWI, dba as Loring Ward and Loring Ward names have been changed to Buckingham Strategic Partners in ADV Part 2a, Item 4, Item 10 and item 12. This reflects a name change following the merger of Loring Ward with Buckingham; the firm has not changed service providers
3. Under Item 5, financial planning fee range is now \$2500 to \$15,000.
4. In ADV Part 2b, Leila Dudley has attained the RICP® designation and she is no longer a registered insurance agent in Georgia.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or may contact our firm at (803)666-0331 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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**Important Information**

Throughout this document Mosaic Wealth Strategies LLC may also be referred to as “the firm,” “firm,” “our,” “we” or “us.” The client or prospective client may be also referred to as “you,” “your,” etc., and refers to a client engagement involving a single *person* as well as two or more *persons*, and may refer to natural persons and legal entities. In addition, the term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

Our firm maintains a business continuity and succession plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover upon request.

## **Item 4 - Advisory Business**

### **Description of the Firm**

Mosaic Wealth Strategies LLC is a South Carolina limited liability company formed in September of 2014 for general business purposes. Our firm is not a subsidiary of nor does it control another financial services industry entity.

In addition to our January of 2018 registration as an investment advisor in the State of South Carolina, our firm and its associates may register, become licensed or meet certain exemptions to registration and/or licensing in other jurisdictions in which investment advisory business is conducted.

Leila D. Dudley, CFP® is a firm Principal, Managing Member and Chief Compliance Officer (supervisor). Leila D. Schaefer, LUTCF is a firm Principal and LLC Member. Both maintain controlling interest in the firm. Additional information about both firm principals and their background may be found toward the end of this brochure.

### **Description of Advisory Services Offered**

Mosaic Wealth Strategies LLC provides its clients with advice on topics such cash flow and debt management, risk management, retirement planning, funding an education, estate planning, periodic investment advice, among others. We assist our clients in the management of their portfolios through the engagement of institutional investment managers, and we offer educational workshops on various subjects.

An initial interview is conducted by a representative of our firm to discuss your current situation, goals and the scope of services that may be provided to you. During your meeting you will be provided with our Form ADV Part 2 firm brochure that includes a statement involving our privacy policy, as well as a brochure supplement about the representative who will be assisting you. We will also ensure that any material conflicts of interest have been disclosed to you that could be reasonably expected to impair the rendering of unbiased and objective advice, such as information found in Items 5, 10 and 12 of this brochure.

You must first execute our client engagement agreement if you wish to engage Mosaic Wealth Strategies LLC for its services. Thereafter discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be asked to provide copies of the following documents early in the process:

- Wills, codicils and trusts
- Insurance policies
- Mortgage information
- Tax returns
- Student loans
- Divorce decree or separation agreement
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting current investments in retirement and non-retirement accounts
- Employment or other business agreements you may have in place
- Completed risk profile questionnaires or other forms provided by our firm

It is important that we are provided with an adequate level of information and supporting documentation throughout the term of the engagement including but not limited to: source of funds, income levels, and an account holder or attorney-in-fact's authority to act on behalf of the account, among other information that may be necessary for our services. The information and/or financial statements provided to us need to be accurate. Our firm may, but is not obligated to, verify the information that you have provided to us which will then be used in the advisory process.

It is essential that you inform our firm of significant issues that may call for an update to your plan. Events such as changes in employment or marital status, an unplanned windfall, etc., can have an impact on your circumstances and plans. Our firm needs to be aware of such events so that adjustments may be made as necessary.

### ***Financial Planning Services***

Our financial planning services are customized for each of our clients; it is as broad-based or narrowly focused as they require. The incorporation of most or all of the following components allows for not only a thorough analysis but also a refined focus so that the firm is able to assist the client in reaching their goals.

#### **Cash Flow Analysis and Debt Management**

A review of your income and expenses may be conducted to determine your current surplus or deficit. Based upon the results, we might recommend prioritizing how any surplus should be used, or how to reduce expenses if they exceed your income. In addition, advice on the prioritization of which debts to repay may be provided, based upon such factors as the debt's interest rate and any income tax ramifications. Recommendations may also be made regarding the appropriate level of cash reserves for emergencies and other financial goals. These recommendations are based upon a review of cash accounts (such as money market funds) for such reserves and may include strategies to save desired reserve amounts.

#### **Risk Management**

A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").

#### **Employee Benefits**

A review is conducted, and analysis is made as to whether you, as an employee, are taking maximum advantage of your employee benefits. We will also offer advice on your employer-sponsored retirement plan and/or stock options, along with other benefits that may be available to you.

#### **Personal Retirement Planning**

Retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, a recommendation may include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

### Education Planning

Advice may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with savings strategies and the “pros-and-cons” of various college savings vehicles that are available. We are also available to review your financial picture as it relates to eligibility for financial aid or the best way to contribute to other family members.

### Tax Strategies

Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, recommendations may be offered as to which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation. We generally recommend that you consult with your accountant or tax attorney, and we may provide you with contact information for various specialists when you wish to hire an accountant or an attorney.

### Estate Planning and Charitable Giving

Our review typically includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. We may assess ways to minimize or avoid future estate taxes by implementing appropriate estate planning and charitable contribution strategies. We generally recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

### Divorce Planning

Separation or divorce can have a major impact on your goals and plans. We will work with you to help you gain an understanding of your unique situation and provide you with a realistic financial picture so that you are in a better situation to communicate with legal counsel, a mediator or soon to be ex-spouse. We can assist in the completion of cash flow and net worth projections, budgetary analysis, division of property, as well as help you to understand what the consequences and/or benefits are involving a settlement.

### Investment Consultation

Investment consultation services often involve providing information on the types of investment vehicles available, employee retirement plans and/or stock options, investment analysis and strategies, asset selection and portfolio design, as well as limited assistance if your investment account is maintained at another broker/dealer or custodian. The strategies and types of investments that may be recommended are further discussed in Item 8 of this brochure.

### Business Consultation

We are available to assist small businesses in a variety of ways to include business strategy, practice management, retaining executives, general financial advice, debt management, as well as assisting you with matters involving coordination with your financial institution, and attorney or accounting firm.

### *Broad-Based v. Modular Financial Planning*

A broad-based plan is an endeavor that requires detail. Certain variables can affect the development of the plan, such as the quality of your own records, complexity and number of current investments, diversity of

insurance products and employee benefits you currently hold, size of the potential estate, and special needs of the client or their dependents, among others. At your request, we may concentrate on reviewing only a specific area (modular planning), such as an employer retirement plan allocation, or evaluating the sufficiency of your current retirement plan. Note that when these services focus only on certain areas of your interest or need, your overall situation or needs may not be fully addressed due to limitations you may have established.

Whether we have created a broad-based or modular plan for you, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them (per your decision), as well as offer you periodic reviews thereafter. In all instances involving our financial planning engagements, our clients retain full discretion over all implementation decisions and have the right to accept or reject any recommendation we make.

### ***Investment Management Services***

Following our review of your particular situation, we may recommend that you engage an external investment manager to serve as portfolio manager. Prior to recommending an external investment manager, we will conduct what we believe to be an appropriate level of due diligence, to include ensuring the external investment manager is appropriately registered or notice-filed within your state of residence. Under this type of engagement, we will gather information from you about your financial situation, investment objectives, as well as any reasonable restrictions you may want to impose on the management of your account, which we will provide to the external investment manager. We typically recommend Buckingham Strategic Partners, an SEC-registered investment advisor and independent third-party account administrator. Buckingham Strategic Partners performs certain services for our firm, such as account administration, portfolio allocation analysis, back-office fulfillment, report and statement production, and billing services that are paid for out of our advisory fee. Loring Ward also sponsors educational seminars for the benefit of Mosaic Wealth Strategies LLC and its clients. These seminars provide our firm with access to information and ideas regarding practice development, client servicing, investment strategy, relationship management and financial planning. Attendance expenses associated with such educational seminars may be paid or reimbursed, either in whole or in part, by Buckingham Strategic Partners.

Buckingham Strategic Partners invests on behalf of an account in accordance with the strategies set forth in their own disclosure documents which will be provided to you by our firm prior to your portfolio employing those strategies. They typically assume discretionary authority over an account. Please refer to Item 16 of this brochure for further information involving account-level investment authority. We may also recommend that a client invest in shares of the SA Funds - Investment Trust ("SA Funds"), a family of 10 asset-class mutual funds that are advised, managed, and administered by Buckingham Strategic Partners. Buckingham Strategic Partners does not charge fees directly on investments into the SA Funds because Buckingham Strategic Partners receives certain fees and expenses directly from the SA Funds, as disclosed in each SA Fund's prospectus. Additional information about our relationship with Buckingham Strategic Partners is described in Items 10 and 12.

Our firm does not sponsor or serve as a portfolio manager in an investment program involving wrapped (bundled) fees. Due to the nature and delivery of our advisory services, we do not have reportable assets under our management.<sup>1</sup>

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<sup>1</sup> The term "assets under management" as defined by the SEC's *General Instructions for Part 2 of Form ADV*.

### ***Educational Workshops***

Mosaic Wealth Strategies LLC provides periodic complimentary educational seminar sessions involving personal finance and investing. Topics may include issues related to general financial planning, educational funding, estate planning, retirement strategies, implications involving changes in marital status, and various other current economic or investment topics. Our workshops are educational in nature and do not involve the solicitation of insurance or investment products.

### **Item 5 - Fees and Compensation**

Forms of payment are based on the types of services being provided, term of service, etc., and will be stated in your engagement agreement with our firm. Our published advisory fees are negotiable, and we typically reduce or waive advisory fees for firm associates. Fees are to be paid by check or draft from US-based financial institutions. With your prior authorization, payment may also be made through a qualified, unaffiliated PCI compliant<sup>2</sup> third-party processor, or withdrawal from your investment account held at your custodian of record. Our firm's payment requests for planning fees will be preceded by our invoice, and investment advisory fees paid to our firm will be noted in your account statement you will receive from your custodian. Our firm does not accept cash, money orders or similar forms of payment for its engagements. We reserve the right to suspend our services once an account is deemed past due.

#### Types of Fees and Payment Schedule

##### ***Financial Planning Fees***

Multi-component planning engagements are assessed fixed fees that ranges from \$2,500 to \$15,000. Our fee will take into consideration factors such as the complexity of your financial profile, the depth of services to be provided through the engagement, assets that comprise your overall portfolio, number of accounts comprising the portfolio, time involved in the engagement, among others. A deposit equaling one-half of the quoted fee will be due upon execution of the engagement agreement, and the remaining portion upon plan delivery.

Clients interested in a limited planning component engagement are assessed an hourly fee. Our rate is \$125 per hour; billed in 10-minute increments, and a partial increment (e.g., seven minutes) will be treated as a whole increment. Prior to entering into an agreement with our firm you will receive an estimate of the overall cost based on your requirements and the time involved. No deposit is required upon execution of the engagement agreement; the fee will be due in full upon plan/advice delivery.

##### ***Investment Management Fees***

Investment management accounts are assessed an annualized asset-based based that is paid quarterly, in advance, as indicated in the following fee table. For the benefit of discounting your asset-based fee, accounts are aggregated for the same individual or within the same household. Advisory fees will be determined by the reporting account value as of the last market day of each quarter, and in consonance with the statement you will receive from your custodian.

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<sup>2</sup> For an explanation of the term "PCI," who the PCI Security Standards Council is, as well as its comprehensive standards to enhance payment card data security, please go to [https://www.pcisecuritystandards.org/security\\_standards/index.php](https://www.pcisecuritystandards.org/security_standards/index.php)



Formula: ((quarter-end market value) x (applicable number of basis points))/4

<b>Assets Under Management</b>	<b>Annualized Asset-Based Fee <sup>3</sup></b>
\$0 - \$1,000,000	1.25% (125 basis points)
\$1,000,001- \$2,000,000	0.95% (95 basis points)
\$2,000,001 - \$3,000,000	0.70% (70 basis points)
\$3,000,001 - \$5,000,000	0.60% (60 basis points)
\$5,000,001 - Above	Negotiable

Your first billing cycle will begin once your agreement is executed and account assets have settled into your account held by the custodian of record. Fees for partial quarters are normally prorated based on the remaining days in the first billing period.

The client's written authorization is required in order for the custodian of record to deduct advisory fees from their investment account. By signing the custodian of record account documents, clients will be authorizing the withdrawal of fees from their account. The withdrawal of these fees will be accomplished by the custodian of record. Direct payment requests (e.g., payment by check, etc.) are not accommodated. Our portion of the advisory fee will be remitted directly to our firm via Loring Ward; Mosaic Wealth Strategies LLC is not directly involved in the billing process of investment management accounts.

### ***Educational Workshop Sessions***

Workshops sessions are complimentary; neither attendees nor sponsors are assessed a fee by our firm.

### **Additional Client Fees**

Any transactional or service fees (often termed *brokerage fees*), individual retirement account fees, qualified retirement plan fees, account termination fees, or wire transfer fees will be borne by the account holder and per the separate fee schedule of the custodian of record. Fees paid by our clients to our firm for our advisory services are separate from any of these fees or other similar charges. Additional information about our fees in relationship to our "brokerage" and operational practices are noted in Items 10 and 12 of this document. In addition, advisory fees paid to our firm for its services are separate from any internal fees or charges associated with mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other similar investments.

### **External Compensation**

Our firm does not charge or receive a commission or a mark-up on securities transactions, nor will the firm or an associate be paid a commission on the purchase of a securities holding that is recommended to a client. We do not receive "trailer" or SEC Rule 12b-1 fees from an investment company that may be recommended to a client. Fees charged by such issuers are detailed in prospectuses or product descriptions and interested investors are always encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges. Our clients have the right to purchase recommended or similar investments through their own service provider.

When there is the potential for the receipt of a commission and other similar compensation via an insurance product transaction (e.g., fixed annuity, life insurance policy, disability, long-term care coverage, etc.)

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<sup>3</sup> Loring Ward earns a per-account revenue-based fee ranging from 15% to 30% (depending on account size) of the total advisory fee that is assessed.

through an associate of our firm when serving as an insurance agent, the associate has an incentive to make such a recommendation based on the compensation they receive rather than a client's needs. Our advisory firm and its associates take their responsibilities seriously and intend to recommend investments, insurance or advisory services we believe appropriate for each client. Please refer to Items 10 and 11 of this firm brochure, in addition to Item 4 of an associate's brochure supplement for details.

### Termination of Services

Either party may terminate the agreement at any time by communicating the intent to terminate in writing. Our firm will not be responsible for future advice or services upon termination notice. It will also be necessary that we inform the custodian of record or third-party investment manager, when appropriate, that the relationship between parties has been terminated.

Our clients have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement with our firm. If a client terminates a financial planning service after this five business-day period, the client is assessed a fee based on the firm's current hourly rate for any time incurred in the preparation of the client's analysis or plan, and the remainder of the deposit (if any) will be returned. A client terminating an investment management service after the five business-day period will be assessed fees on a prorated basis for services incurred from either (i) as a new client, the date of the engagement to the date of the firm's receipt of the written notice of termination, or (ii) all other accounts, the last billing period to the date of the firm's physical or constructive receipt of written termination notice. Insurance contracts are terminated (surrendered) in accordance with specific state insurance code and the issuer's policy provisions described in each contract.

Our firm will return any prepaid, unearned fees within 30 days of the firm's receipt of termination notice. Earned fees in excess of any prepaid deposit will be billed at the time of termination and will be due upon receipt of our invoice. Our return of payment to a client for a financial planning service will be completed via check from our firm's US-based financial institution. We coordinate remuneration of prepaid asset-based fees via the third-party investment manager. Return of prepaid fees will never involve a personal check, cash or money order from our firm or from an associate of our firm.

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

Our firm's advisory fees will not be based on a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as performance-based fees. Our fees will also not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not.

### **Item 7 - Types of Clients**

We offer our advisory services to individuals and high net worth individuals, as well as small businesses. We do not require minimum income, minimum asset levels or other similar preconditions, and we will inform you in advance of any minimum criteria if a third-party investment manager is to be engaged. Our firm reserves the right to decline services to any prospective client for any nondiscriminatory reason.

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

#### Methods of Analysis

We employ a blend of fundamental and technical analyses. For example, fundamental analysis involves evaluating economic factors including interest rates, the current state of the economy, or the future growth of an industry sector. Technical analysis may involve studying the historical patterns and trends of securities

and their markets in an effort to determine potential future behaviors, the estimation of price movement, and an evaluation of a transaction before entry into the market in terms of risk and profit potential. Our research is often drawn from sources that include economists and other industry professionals, company press releases, and regulatory reporting (i.e., annual filings, prospectus, etc.).

### Investment Strategy

Our primary investment strategy is based on Modern Portfolio Theory; oriented toward reducing risk by diversifying among an extensive range of asset classes such as domestic and international equities, fixed-income securities, and real estate.

Portfolios constructed under this theory may be tilted to have a greater exposure toward a specific market capitalization,<sup>4</sup> value stocks,<sup>5</sup> or highly profitable stocks in an effort to capture risk premiums historically associated with those asset classes. Portfolios primarily contain mutual funds.

### Risk of Loss

Our firm believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, there is no guarantee that a planning goal or investment objective will be achieved. Past performance is not necessarily indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear. While the following list is not exhaustive, we provide some examples of such risk in the following paragraphs, and we believe it is important that our clients review and consider each prior to investing.

### ***Active Portfolio Management***

When a portfolio employs active management (e.g., tactical trading), it may outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management often requires frequent trading or “turnover.” This can result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

### ***Company Risk***

When investing in securities, such as stocks, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as *unsystematic risk* and can be reduced or mitigated through diversification.

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<sup>4</sup> Market capitalization (“cap”) assists investors in understanding the relative size of a company versus another. It aids in measuring the worth of a company in the open market and the market’s perception of its future since it reflects what investors may be willing to pay for the company’s stock. Examples include:

- Large-Cap – Established companies with market values of \$10 billion or more; reputations for producing quality goods and services; history of consistent dividend payments and steady growth.
- Mid-Cap – Companies with market values between \$2 billion and \$10 billion; established companies in industries experiencing or expected to experience rapid growth and increasing market share and/or improving competitiveness.
- Small-Cap – Newer companies with market values of \$300 million to \$2 billion; typically serving niche markets or emerging industries. Aggressive risk category investment; may be impacted by economic downturn, vulnerable to competition and uncertainties of their market.

<sup>5</sup> Value investing involves buying above-average stocks at below-average prices. Conversely, when a holding is considered over-priced, it becomes a candidate to be sold.

### ***Currency Risk***

The risk of loss from fluctuating foreign exchange rates when a portfolio has exposure to foreign currency or in foreign currency traded investments is known as currency risk.

### ***Equity (Stock) Risk***

Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their issuers change. If an investor held common stock or common stock equivalents of any given issuer, they may be exposed to greater risk than if they held preferred stocks and debt obligations of the issuer.

Preferred stocks can be affected by interest rate and liquidity risks (described in adjacent paragraphs). Also note that their dividend payment is not guaranteed; some are subject to a call provision, meaning the issuer can redeem its preferred shares on demand, and usually when interest rates have fallen.

### ***ETF and Mutual Funds***

The risk of owning ETFs and mutual funds reflect their underlying securities (e.g., stocks, bonds, derivatives, etc.). These forms of securities typically carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. Certain ETFs and indexed funds have the potential to be affected by "active risk;" a deviation from its stated index (e.g., S&P 500).

While these securities may be known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be a holding within an ETF or mutual fund), may be considered "non-qualified" under certain tax code provisions. A holding's QDI will be considered when tax-efficiency is an important aspect of the client's portfolio.

Leveraged and/or inverse ETFs attempt to achieve multiples of the performance of an index or benchmark through the opposite (inverse) of the performance of the tracked index or benchmark. This strategy attempts to profit from, or hedge exposures to, downward drifting markets. There is risk involving this strategy and part of the concern is based on the fact that leveraged and inverse exchange traded funds "reset" daily, which means they are designed to achieve their stated objectives on a *daily basis*. It is due to the compounding effect of daily adjustments that ETF performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of an underlying index or benchmark during the same period. This effect is potentially magnified during volatile markets. If effects contrary to the ETF strategy occur, losses may be significant; therefore, leveraged and/or inverse ETFs will be considered for portfolios either properly hedged or for clients able to sustain potentially higher risks. Leveraged and inverse ETFs will not be recommended where a "buy-and-hold" philosophy is important.

### ***Failure to Implement***

As our planning client, you are free to accept or reject any or all of the recommendations made to you. While no advisory firm can guarantee future performance, no plan can succeed if it is not implemented. Clients who choose not to take the steps recommended in their plan may face an increased risk that their stated goals and objectives will not be achieved.

### **Financial Risk**

Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### **Fixed Income Risks**

Various forms of fixed income instruments, such as bonds, money market or bond funds may be affected by various forms of risk, including:

Credit Risk - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

Interest Rate Risk - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

Reinvestment Risk - With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

### **Fundamental Analysis**

The challenge involving fundamental analyses is that information obtained may be incorrect; the analysis may not provide an accurate estimate of earnings, which may be the basis for a security's value. If a security's price adjusts rapidly to new information, a fundamental analysis may result in unfavorable performance.

### **Inflation Risk**

Also called *purchasing power risk*, is the chance that the cash flows from an investment won't be worth as much in the future because of changes in purchasing power due to inflation.

### **Liquidity Risk**

The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

### **Market Risk**

This is also called systemic risk. In cases where markets are under extreme duress, many securities lose their ability to provide diversification benefits.

### ***Passive Investing***

A portfolio that employs a passive, efficient markets approach has the risk of generating lower-than-expected returns due to its broad diversification when compared to a portfolio more narrowly focused.

### ***Political Risk***

The risk of financial and market loss because of political decisions or disruptions in a particular country or region and may also be known as "geopolitical risk."

### ***Research Data***

When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. While our firm makes every effort to determine the accuracy of the information received, we cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

### ***Technical Analysis***

The risk of investing based on technical analyses is that it may not consistently predict a future price movement; the current price of a security may reflect all known information. This may occur due to analyst bias or misinterpretation, a sector analysis error, late recognition of a trend, etc.

### **Item 9 - Disciplinary Information**

Neither the firm nor its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our offering advisory business or its integrity.

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

Our advisory firm and its management are not registered nor have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or associated person of such a firm. We are not required to be registered with such entities, nor do they supervise our firm, its activities or our associates. Neither our firm nor its management is or has a material relationship with any of the following types of entities:

- accountant or accounting firm
- another financial planning firm
- bank, credit union or thrift institution, or their separately identifiable departments or divisions
- lawyer or law firm
- pension consultant
- real estate broker, dealer or advisor
- sponsor or syndicator of limited partnerships
- trust company

- issuer of a security, to include investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)

The external investment managers that we may recommend to you (i.e., Buckingham Strategic Partners) are required to be registered as an investment advisor. As referenced in Item 5 of this brochure, each firm is compensated for their respective services by the client through a portion of the advisory fee that is assessed. We have an incentive to recommend one external portfolio manager over another if less favorable compensation or services arrangements were to be offered to us by another external portfolio manager. In light of this conflict of interest, we will review our recommendations and “mix of business” based on the client’s needs, goals and objectives with respect to all of our portfolio management offerings. There is also the potential for clients’ fees assessed via these engagements to be higher than had a client obtained them directly from the external portfolio manager or the client were able to purchase similar underlying investments on their own. Clients are encouraged to review all of our offerings and their stated fees prior to the engagement, and each client has the right to purchase recommended or similar investments through their own provider. It should be noted that certain external portfolio managers and/or underlying investments may not be available to self-directed investors or at the same cost.

Leila Dudley is a licensed insurance agent who is appointed with various unaffiliated insurance carriers and earn commissions and renewal income if a client purchases an insurance or fixed annuity contract. Further information with regard to these activities may be found in the firm’s Form ADV Part 2B brochure supplement. Whether the firm is serving a client in one or more capacities, the firm will disclose in advance how they are being compensated and if there is a conflict of interest involving any advice or service provided. At no time will there be *tying* between business practices and/or services; a condition where a client or prospective client would be required to accept one product or service which is conditional upon the selection of a second, distinctive tied product or service.

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

Mosaic Wealth Strategies LLC holds itself to a *fiduciary standard*, which means the firm and its associates will act in good faith, performing in a manner believed to be in the best interest of our clients. Our firm believes that its business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can possibly anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### **Code of Ethics**

We have adopted a Code of Ethics that establishes policies for ethical conduct for our personnel. Our firm accepts the obligation not only to comply with applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Firm policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. Our firm periodically reviews and amends its Code of Ethics to ensure that it remains current and requires firm personnel to annually attest to their understanding of and adherence to the firm’s Code of Ethics. A copy of the firm’s Code of Ethics is made available to any client or prospective client upon request.

Associates that are CERTIFIED FINANCIAL PLANNER™ Practitioners also adhere to the Certified Financial Planner Board of Standards, Inc.’s Code of Ethics & Professional Responsibility which you may find at [www.cfp.net](http://www.cfp.net).

## Privacy Policy Statement

We respect the privacy of all clients and prospective clients both past and present (collectively termed “customers” per privacy regulatory guidelines). It is recognized that you have entrusted our firm with non-public personal information and it is important that both access persons and customers are aware of firm policy concerning what may be done with that information.

The firm collects personal information about customers from the following sources:

- Information customers provide to complete their financial plan or investment recommendation;
- Information customers provide in engagement agreements and other documents completed in connection with the opening and maintenance of an account;
- Information customers provide verbally; and
- Information received from service providers, such as custodians, about customer transactions.

The firm does not disclose non-public personal information about our customers to anyone, except in the following circumstances:

- When required to provide services our customers have requested;
- When our customers have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

To ensure security and confidentiality, the firm maintains physical, electronic, and procedural safeguards to protect the privacy of customer information. Within the firm, access to customer information is restricted to personnel that need to know that information.

All access persons and service providers understand that everything handled in firm offices are confidential and they are instructed not to discuss customer information with someone else that may request information about an account unless they are specifically authorized in writing by the customer to do so. This includes providing information about a family member’s account.

The firm will provide you with its privacy policy on an annual basis and at any time, in advance, if our privacy policies are expected to change.

## Firm Recommendations and Conflicts of Interest

An associate is prohibited from borrowing from or lending to a client unless the client is an institutional lender.

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a “related person” (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc. However, our firm and its related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client.



In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendations, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved in writing by our Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis.

### Retirement Plan Rollovers

Under certain conditions that have been established by the United States Department of Labor ("DOL"), our firm is considered a "DOL fiduciary" to certain clients. As a DOL fiduciary, our firm must adhere to specific standards relating to the investment advice and recommendations we provide. These standards may act to limit the investment advice and recommendations we can give to clients and may require that we provide certain additional disclosures not already contained in this Form ADV Part 2A. As a DOL fiduciary, we also incur additional liability above and beyond that we currently operate under as it relates to the investment advice and recommendations we provide. Status as a DOL fiduciary is governed by federal law and DOL regulations. Such fiduciary status is triggered when we provide investment advice or other investment recommendations to a client who is a "retirement investor." Retirement investors primarily consist of those individuals or organizations who are (i) participants or beneficiaries of a retirement plan that is subject to Title I of the Employee Retirement Income Security Act of 1974 (ERISA), as amended, and who possess the authority to direct the investment of assets in his or her plan account or to take a distribution; or (ii) the beneficial owner of an individual retirement account (IRA) acting on behalf of the IRA. Not every client will trigger this DOL fiduciary status, as this status is based on the source of investment funds previously listed.

In the event that our firm qualifies as a DOL fiduciary, the following standards and warranties apply, in addition to others noted in this Item:

- We will provide investment advice that is, at the time of the recommendation, in the client's best interest.
- As used herein, recommendations are made in the client's "best interest" when the advice or recommendations our firm makes reflect the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the client's investment objectives, risk tolerance, financial circumstances, and needs. Investment advice or recommendations will also be made without regard to our firm's financial interests or those of our advisors, related entities or other parties.
- Any recommended transactions will not cause us or any related entities to receive, directly or indirectly, compensation for services that is in excess of reasonable compensation.
- As used herein, the DOL defines "reasonable compensation" to mean that any compensation that is reasonably expected to be received for investment recommendations must be reasonable in relation to the value of the specific services provided to a Retirement Investors and not in excess of the services' fair market value.
- Any statements made by our firm about any recommended transaction, fees and compensation, material conflicts of interest, and any other matters relevant to your investment decisions, will not be materially misleading at the time they are made.

In addition to the standards listed above, as a DOL fiduciary we may also be required to provide you additional information or disclosures regarding the fees we charge for our services. Such additional information will disclose to you if we offer any proprietary products (which are products that are managed, issued, or sponsored by us) or if we receive any payment from a third party for recommending a specific

investment service. Our firm does not offer, nor limit, its investment services to proprietary products. Regarding third party payments, we do not receive economic benefit from a recommended custodian, but we do have material relationships with another investment advisor as noted in Items 5 and 10.

Our firm is able to provide a range of advisory services to our clients. Due to our firm and/or associates' ability to offer two or more services and receive a fee, a conflict of interest exists due to the extended services provided. Clients are under no obligation to act on our recommendations.

## **Item 12 - Brokerage Practices**

### **Factors Used to Select Broker/Dealers**

Your accounts must be separately maintained by a qualified custodian (generally a broker/dealer, futures commission merchant, national bank or trust company) that is frequently reviewed for its capabilities to serve in that capacity by their respective industry regulatory authority. Our firm is not a custodian, there is not an affiliate that is a custodian, nor does a custodian supervise our firm, its activities or our associates. We do not receive referrals from a custodian, nor are client referrals a factor in our recommendation of a custodian.

If a client asks us to provide periodic investment advice via a consulting services engagement, they have the right to keep their assets with their present custodian/service provider. If the client prefers a new custodian/service provider, a recommendation may be made by our firm that is based on client need, costs, ease of use, and following our review of the recommended provider.

Accounts served by Loring Ward are typically able to designate what firm to execute transactions in their account from among those custodians that have an existing relationship with Buckingham Strategic Partners; currently including Pershing LLC, Fidelity Brokerage Services LLC, Charles Schwab & Company, Inc., or TD Ameritrade Institutional (an affiliate of TD Ameritrade, Inc.). These custodians clear and custody client accounts through their broker/dealer affiliates that are FINRA and SIPC members.<sup>6</sup> We encourage clients to designate Charles Schwab & Company, Inc. due to their lower fees compared to most other custodians. Our firm does not "pay up" to receive additional services from a custodian. Compensation paid to our firm is paid by the client and therefore the firm does not receive any additional compensation when a client engages a recommended provider. As noted in Item 4, an external investment manager that we recommend to our clients host periodic offsite training conferences or seminars; often covering our associates' travel, lodging and meal expenses. Such hosting provides some economic benefit to our firm and therefore creates a conflict of interest that could influence our recommendations. We conduct periodic assessments of any recommended service provider which involves a review of the range and quality of services, reasonableness of fees, among other items, in comparison to industry peers.

### **Best Execution**

In light of the nature of our firm's advisory services, it is believed "best execution" review obligations with regard to client transactions are not required under current industry guidelines.

### **Directed Brokerage**

Our firm does not require or engage in directed brokerage involving client accounts. Clients are free to use any particular service provider to execute their transactions and they are responsible for negotiating any terms or arrangements for their account. Our firm will not be obligated to conduct due diligence of the

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<sup>6</sup> Our advisory firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC) member. You may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

client's selected service provider, seek better execution services or prices from any provider, or aggregate client transactions for trade execution. Since your transactions are completed at a service provider of your choice, you may potentially pay more for your transaction or experience wider price spreads.

#### Aggregating Securities Transactions

Our firm is not engaged for ongoing portfolio management nor do we serve an account on a discretionary basis. We are therefore unable to aggregate ("batch") trades on behalf of client accounts. Since transactions may be completed independently at a service provider of your choice, you may potentially pay more for your transaction or experience wider price spreads than those accounts where trades have been aggregated.

### **Item 13 - Review of Accounts**

#### Scheduled Reviews

We encourage ongoing monitoring of your financial matters, as needed, or at minimum, on an annual basis. Scheduled reviews will be conducted by Leila Dudley or Leila Schaefer, and typically involve analysis and possible revision of your previous financial plan and/or investment allocation.

For those accounts served by a recommended external investment manager, Ms. Dudley or Ms. Schaefer will review reports provided to the client by the external investment manager. Our firm will contact the client at least annually to review the client's financial situation and objectives. We will communicate information to the selected external investment manager as warranted and will assist the client in understanding and evaluating the services provided by that investment manager. In certain instances, the client may be able to communicate directly with their investment manager which we will need to coordinate in advance.

A copy of revised written plans or asset allocation reports in printed or digital format will be provided to the client.

#### Interim Reviews

You should contact our firm for additional reviews when you anticipate or have experienced changes in your financial situation (i.e., changes in employment, an inheritance, the birth of a new child, etc.), or if you prefer to change requirements involving your investment account. Non-periodic reviews are conducted by Ms. Dudley or Ms. Schaefer, and a copy of revised written plans or asset allocation reports in printed or digital format will be provided to the client upon request.

Additional portfolio reviews by the client's investment manager and Ms. Dudley or Ms. Schaefer may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. A portfolio may be reviewed for an additional holding or when an increase in a current position is under consideration. Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

## Client Reports and Frequency

Whether you have opened and maintained an investment account on your own or with our assistance, you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge account holders to review these account statements for accuracy and clarity, and to ask questions when something is not clear.

Our advisory firm does not create or distribute its own performance reports; nor do we back-test or certify reports from an external party. Clients should carefully review and compare account statements provided by their custodian of record with any report they have received from any source if it contains investment performance information.

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

We do not engage in solicitation activities. If we receive or offer an introduction to a client, we do not pay or earn a referral fee, nor are there established *quid pro quo* arrangements. Each client has the right to accept or deny such referral or subsequent services.

As noted in Items 4 and 5 of this brochure, for our initial and continuing consultation we receive a portion of the asset-based fee that is paid by a client to an external investment manager. Please refer to Item 10 for additional information with respect to this service offering and the potential conflict of interest it presents.

An associate of the firm holds individual membership and/or may serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

## **Item 15 - Custody**

Client assets must be maintained by an unaffiliated, qualified custodian, they are not held by our firm or any associate or our firm. In keeping with this policy involving our client funds or securities, our firm:

- Restricts the firm or an associate from serving as trustee or having general power of attorney over a client account;
- Prohibits any associate from having authority to directly withdraw securities or cash assets from a client account;
- Does not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm; and
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future.

Your custodian of record will provide you with your transaction confirmations and account statements, which will include debits and credits as well as your advisory fee for that period. Statements are provided on at least a quarterly basis and confirmations are provided as transactions occur within your account. Our firm will not create an account statement for a client nor serve as the sole recipient of a client account statement. You are reminded to carefully review and compare your account statements that you have received directly from your custodian of record with any performance report you may receive from any source.

#### **Item 16 - Investment Discretion**

We serve client accounts on a nondiscretionary basis. This type of account authority requires the client's ongoing prior approval involving the investment and reinvestment of account assets, as well as portfolio rebalancing. The client will be required to execute our firm's client services agreement that describes our limited account authority, as well as the custodian of record's account opening document that includes their limited power of attorney form or clause. Please note that in light of the requirement for pre-approval, the client must make themselves available and keep our firm updated on their contact information so that instructions can be efficiently effected on their behalf.

External investment managers generally provide their services on a discretionary basis. Via a limited power of attorney, the external investment manager is granted the authority to implement investment decisions, such as the purchase or sale of a security on behalf of an account, without requiring the client's prior authorization for each transaction in order to meet stated investment objectives. This authority will be provided by the client through the execution of external management agreement and its custodian's account opening documents. If you require your account be managed on a nondiscretionary basis, you should be aware that most external investment managers retain the right to either refuse or terminate an account or continue to manage the account under a higher asset-based fee due to increased operational costs. We will inform you in advance of the recommended investment manager's requirements involving account trading authority. Note that our firm does not have discretionary authority over a client account under this type of engagement.

#### **Item 17 - Voting Client Securities**

You may periodically receive proxies or other similar solicitations sent directly from their custodian or transfer agent. If we receive a duplicate copy, we do not forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

Our firm does not vote proxies on behalf of an account holder. We do not offer guidance on how to vote proxies, nor will we offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. Associates of our firm will answer limited questions via a scheduled meeting with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

If an account is supervised by an external investment manager, the client should review the external investment manager's Form ADV Part 2 to determine their proxy voting policies. Otherwise, each account holder will maintain responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings.

Clients should consider contacting the issuer or their legal counsel involving specific questions they may have with respect to a particular proxy solicitation or corporate action.

**Item 18 - Financial Information**

Our advisory firm will not take custody of your assets, nor do we have the type of account authority to have such control. We do not directly withdrawal our advisory fees from your account.

Engagements with our firm do not require that we collect fees from you of \$500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

**Item 19 - Requirements for State-Registered Advisers**

For further information involving firm principal executive and management personnel, their business activities as well as material conflicts of interest, please refer to areas previously disclosed in Items 6 and 9 through 11, as well as the accompanying Form ADV Part 2B brochure supplement that immediately follows this page. Per Item 10 of this brochure, neither the firm nor a member of its management has a material relationship with the issuer of a security.

**Item 1 - Cover Page**



**M O S A I C**  
Wealth Strategies LLC

Registered Investment Advisor  
CRD # 291032

3 Jessen Drive  
Greenville, SC 29607

Tel: (803)666-0331  
[www.mosaicwealthstrategies.com](http://www.mosaicwealthstrategies.com)

**Leila D. Dudley, CFP®**  
Principal  
Chief Compliance Officer  
Investment Advisor Representative  
Managing Member  
CRD # 6006627

Form ADV Part 2B  
Brochure Supplement  
March 6, 2020

**This brochure provides information about Leila Dudley that supplements the Mosaic Wealth Strategies LLC Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Leila Dudley at (706) 457-3368 if you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Leila Dudley is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 - Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

### **Principal Executive Officer and Management Person**

#### ***Principal/Chief Compliance Officer/Investment Advisor Representative/Managing Member***

##### **Leila Diane Dudley**

Year of Birth: 1957 / CRD Number: 6006627

### **Educational Background and Business Experience**

#### ***Educational Background***

Master of Science (Social Work), University of South Carolina; Columbia, SC  
Bachelor of Arts (Psychology), University of Georgia; Athens, GA  
CERTIFIED FINANCIAL PLANNER™ Professional, Certified Financial Planner Board of Standards, Inc. <sup>1</sup>  
Investment Company Products/Variable Contracts Representative Examination/FINRA Series 6 <sup>2</sup> (Inactive)  
General Securities Representative Examination/FINRA Series 7 <sup>2</sup> (Inactive)  
Uniform Securities State Agent Law Examination/NASAA Series 63 <sup>2</sup>  
Uniform Investment Adviser Law Examination/NASAA Series 65 <sup>2</sup>  
Licensed Insurance Agent/South Carolina Department of Insurance <sup>2</sup>  
RICP® Retirement Income Certified Professional, American College<sup>3</sup>

#### ***Business Experience***

Mosaic Wealth Strategies LLC (12/2014-Present)  
Columbia, SC  
Principal (12/2014-Present)  
Chief Compliance Officer/Investment Advisor Representative (01/2018-Present)

Eagle Strategies LLC (05/2014-12/2017)  
NYLIFE Securities LLC (06/2012-12/2017)  
New York Life Insurance Company (11/2011-12/2017)  
Columbia, SC  
Investment Advisor Representative/Registered Representative/Agent

## **Item 3 - Disciplinary Information**

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules material to your evaluation of each officer or a supervised person providing investment advice. Leila Dudley has not been the subject of any such event.



#### **Item 4 - Other Business Activities**

Investment advisor representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Neither Leila Dudley nor our advisory firm has a material relationship with the issuer of a security. She is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. She does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service ("trail") fees from the sale of mutual funds.

Ms. Dudley is a licensed insurance agent able to sell annuities, life, disability, and long-term care coverage to interested parties through various unaffiliated insurance companies where she receives a commission or renewal payment from the issuer subsequent to a client's purchase of an insurance contract. This activity involves five percent of her time during traditional business hours each month. She will disclose in advance of a transaction or service the capacity in which she is serving a client, to include the conflict of interest the role or service to be provided may incur. The receipt of commissions and other compensation gives an associate an incentive to offer a recommendation based on the compensation they receive rather than client need. Notwithstanding this issue, both Ms. Dudley and our advisory firm take their responsibilities seriously and intend to recommend investments, insurance or advisory services believed appropriate for the client.

#### **Item 5 - Additional Compensation**

Neither our advisory firm nor Leila Dudley is compensated for advisory services involving performance-based fees. In addition, firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

#### **Item 6 - Supervision**

Leila Dudley serves as the firm's Chief Compliance Officer. Because supervising one's self poses a conflict of interest, the firm has established policies and procedures to mitigate this conflict. Questions relative to the firm, its services or this Form ADV Part 2 may be made to the attention of Ms. Dudley at (803)666-0331. Additional information about the firm, other advisory firms, or an associated investment advisor representative is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for Mosaic Wealth Strategies LLC is 291032. The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the South Carolina Securities Division at (803) 734-3970 or the state securities administrator office where the client resides.

#### **Item 7 - Requirements for State-Registered Advisers**

There have been neither awards nor sanctions or other matter where Leila Dudley or Mosaic Wealth Strategies LLC has been found liable in an arbitration, self-regulatory or administrative proceeding. Neither Ms. Dudley nor our advisory firm has been the subject of a bankruptcy petition.

## **Information about Professional Designations and Education**

<sup>1</sup> The **CERTIFIED FINANCIAL PLANNER™**, **CFP®** and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

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

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

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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

<sup>2</sup> Financial Industry Regulatory Authority (FINRA), North American Securities Administrators Association (NASAA) and state insurance examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of an industry examination does not constitute or imply a person is “approved” or “endorsed” by a state, federal or industry regulatory body.

The American College®, a non-profit educator with an 84-year heritage and the highest level of accreditation, in association with the National Association of Insurance and Financial Advisors (NAIFA).

<sup>3</sup> The **Retirement Income Certified Professional® (RICP®)** designation is awarded by The American College®, a non-profit educator with an 84- year heritage and the highest level of academic accreditation. To receive the RICP® designation, the candidate must complete three courses of study and meet experience requirements of three years of financial services industry experience (an undergraduate or graduate degree from an accredited institution qualifies as one year of business experience). Designees must complete 30 hours of continuing education on a biennial basis as well as adhere to published ethical standards.

**Item 1 - Cover Page**



**M O S A I C**  
Wealth Strategies LLC

Registered Investment Advisor  
CRD # 291032

3 Jessen Drive  
Greenville, SC 29607

Tel: (803)660-0331  
[www.mosaicwealthstrategies.com](http://www.mosaicwealthstrategies.com)

**Leila D. Schaefer**  
Principal  
Investment Advisor Representative  
CRD # 5734067  
(803)500-3887

Form ADV Part 2B  
Brochure Supplement  
March 6, 2020

**This brochure provides information about Leila Schaefer that supplements the Mosaic Wealth Strategies LLC Form ADV Part 2A firm brochure. You should have received a copy of that brochure. Please contact Leila Dudley at (803)666-0331. If you did not receive the full brochure or if you have any questions about the contents of this supplement. Additional information about Leila Schaefer is available on the Securities and Exchange Commission's (SEC) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2 - Educational Background and Business Experience**

Regulatory guidance requires the firm to disclose relevant post-secondary education and professional training for each principal executive and associate of the firm, as well as their business experience for at least the most recent five years.

### **Principal Executive Officer and Management Person**

#### ***Principal/Investment Advisor Representative/LLC Member***

#### **Leila Dupree Schaefer**

Year of Birth: 1986 / CRD Number: 5734067

### **Educational Background and Business Experience**

#### ***Educational Background***

Bachelor of Arts (History and Business), Presbyterian College; Clinton, SC  
Life Underwriter Training Council Fellow (LUTCF)/The American College®<sup>1</sup>  
Investment Company Products/Variable Contracts Representative Examination/FINRA Series 6<sup>2</sup> (Inactive)  
General Securities Representative Examination/FINRA Series 7<sup>2</sup> (Inactive)  
Uniform Securities State Agent Law Examination/NASAA Series 63<sup>2</sup>  
Uniform Investment Adviser Law Examination/NASAA Series 65<sup>2</sup>

#### ***Business Experience***

Mosaic Wealth Strategies LLC (12/2014-Present)  
Columbia, SC  
Principal (12/2014-Present)  
Assistant Financial Advisor (03/2016-01/2018)  
Investment Advisor Representative (01/2018-Present)

Eagle Strategies LLC (09/2016-12/2017)  
NYLIFE Securities LLC (10/2009-12/2017)  
New York Life Insurance Company (10/2009-12/2017)  
Columbia, SC  
Investment Advisor Representative/Registered Representative/Agent/Assistant Financial Advisor

## **Item 3 - Disciplinary Information**

Registered investment advisors are required to disclose certain material facts about its associated personnel regarding any legal or disciplinary events, including criminal or civil action in a domestic, foreign or military court, or any proceeding before a state, federal or foreign regulatory agency, self-regulatory organization, or suspension or sanction by a professional association for violation of its conduct rules material to your evaluation of each officer or a supervised person providing investment advice. Leila Schaefer has not been the subject of any such event.

## **Item 4 - Other Business Activities**

Investment advisor representatives are required to disclose outside business activities that account for a significant portion of their time or income, or that may present a conflict of interest with their advisory activities.

Neither Leila Schaefer nor our advisory firm has a material relationship with the issuer of a security. She is not registered, nor has an application pending to register, as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. She does not receive commissions, bonuses or other compensation based on the sale of securities, including that as a registered representative of a broker/dealer or the distribution or service (“trail”) fees from the sale of mutual funds.

Ms. Schaefer is the owner of a rental real estate property; an activity that involves one percent or less of her time each month after traditional business hours. No advisory firm clients are investors in, solicited on behalf of, or served by her real estate property; therefore, our firm does not believe this activity presents a conflict of interest with its clients.

#### **Item 5 - Additional Compensation**

Neither our advisory firm nor Leila Schaefer is compensated for advisory services involving performance-based fees. In addition, firm policy does not allow associated persons to accept or receive additional economic benefit, such as sales awards or other prizes, for providing advisory services to firm clients.

#### **Item 6 - Supervision**

Firm policies and procedures have been designed to ensure appropriate recordkeeping and supervision, and all associates are required to adhere to our firm’s Code of Ethics and procedural guidelines. Ms. Dudley, as Chief Compliance Officer, will monitor firm activities and the advice provided by performing the following ongoing reviews:

- Documentation when the relationship is established
- Review of account transactions
- Assessments of the client’s financial situation, objectives, and investment needs
- A review of client correspondence on an as needed basis
- Periodic internal firm review

Questions relative to the firm, its services or this Form ADV Part 2 may be made to the attention of Ms. Dudley at (803)666-0331. Additional information about the firm, other advisory firms, or an associated investment advisor representative is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD or CRD number. The IARD number for Mosaic Wealth Strategies LLC is 291032. The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by calling the South Carolina Securities Division at (803) 734-3970 or the state securities administrator office where the client resides.

#### **Item 7 - Requirements for State-Registered Advisers**

There have been neither awards nor sanctions or other matter where Leila Schaefer or Mosaic Wealth Strategies LLC has been found liable in an arbitration, self-regulatory or administrative proceeding. Neither Ms. Schaefer nor our advisory firm has been the subject of a bankruptcy petition.

#### **Information about Professional Designations and Education**

<sup>1</sup> The Life Underwriter Training Council Fellow (LUTCF) educational program includes required ethical training and five elective courses chosen from such topics as meeting client needs, serving personal markets, essentials of business insurance, annuities, long-term care, life insurance products, and retirement, investment, and estate planning. An LUTCF has studied the fundamental skills required for an insurance agent and must adhere to an ongoing ethical standard when serving clients. The designation is offered by

The American College®, a non-profit educator with an 84-year heritage and the highest level of accreditation, in association with the National Association of Insurance and Financial Advisors (NAIFA).

<sup>2</sup> Financial Industry Regulatory Authority (FINRA), North American Securities Administrators Association (NASAA) and state insurance examinations are "criterion based;" candidates who pass the exam are considered to have met the minimum competency level. The completion of an industry examination does not constitute or imply a person is "approved" or "endorsed" by a state, federal or industry regulatory body.