



## **Part 2A of Form ADV: *Firm Brochure***

### **BerganKDV Wealth Management, LLC**

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**July 1, 2015**

This brochure provides information about the qualifications and business practices of BerganKDV Wealth Management. If you have any questions about the contents of this brochure, please contact us at (888) 812-3533 or [wealthmanagement@bergankdv.com](mailto:wealthmanagement@bergankdv.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 BerganKDV Wealth Management (CRD # 143038) also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number.

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### Item 3 - Material Changes

This Firm Brochure, dated July 1, 2015, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this Brochure within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Material changes since our last filing in 2014 are:

- The official name of the company has changed from KDV Wealth Management, LLC to BerganKDV Wealth Management, LLC.
- The home office has moved from 220 Park Avenue S, St. Cloud, MN 56301 to 3800 American Blvd, Suite 1000, Bloomington, MN 55431.
- BerganKDV Wealth Management has initiated a series of Index Fund portfolios to provide clients with a low fee alternative to our fundamental and stable allocation offerings.
- A new service offering called lifewise™ has been launched to provide service to young investors through the use of new technologies and a custodial platform through Betterment, LLC. lifewise™ and Betterment, LLC offers a unique web-based platform for the next generation of advisory clients. Betterment offers all-inclusive annualized wrap fee product on an institutional platform.

### Item 4 - Advisory Business

BerganKDV Wealth Management, LLC ("BerganKDV") is a SEC-Registered Investment Adviser with its principal place of business located in Minnesota. BerganKDV started conducting investment advisory business in 2007. The firm's principal shareholder (i.e., those individuals and/or entities controlling 25% or more of this company) is BerganKDV, Ltd.

BerganKDV provides personalized financial planning services, manages investment advisory accounts and offers third party asset management to individuals, pension and profit sharing plans, trusts, estates, and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement and estate planning.

During our data-gathering process, we determine the client's objectives, time horizons, risk tolerance, and liquidity needs. We develop a unique investment and tax strategy, create and manage a portfolio based on the client's needs as established through interview process. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

It is the client's obligation to notify their advisor or the firm immediately if circumstances have changed with respect to their goals.

BerganKDV offers the following advisory services to our clients:

#### Investment Supervisory Services ("ISS")

##### Individual Portfolio Management

BerganKDV manages advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit

- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

#### Managed Portfolios

All client portfolios are managed on a discretionary basis unless otherwise noted. BerganKDV offers a variety of managed portfolios primarily utilizing no-load mutual funds, exchange traded funds (ETF), individual equities, and money market funds. BerganKDV may also manage subaccounts within a variable annuity. Based on client circumstances, BerganKDV may create, recommend, and manage custom portfolios that fall outside the scope of the BerganKDV-managed model portfolios. BerganKDV offers the following managed portfolios:

**Fundamental Focus Models** - These Models provide a balance between the most important component of investing, diversification, and an active management overlay designed to be proactive to prospective market movements. These allocation and adjustment decisions are predicated on the assessment of the macroeconomic environment which identifies broad themes that ultimately allow for the formation of capital market expectations. This is an ongoing process and adjustments to our allocations and exposures allow for an active investment program, designed to balance principal protection against growth, generating risk adjusted returns over each full business cycle. The model selection choices are: **1) Capital Preservation & Income, 2) Conservative Growth & Income, 3) Growth & Income, 4) Moderate Growth and 5) Aggressive Growth.**

**Index Allocation Models** - These Models are designed to offer extremely low cost, no transaction fee exposure to a pre-defined diversified set of asset classes and styles. This approach is informed by a fully passive management philosophy, where no attempt to outperform any respective benchmark is made. Allocation decisions are aligned with long term objectives where constant exposure to pre-set allocations are maintained throughout all market cycles through quarterly rebalancing. No effort towards any type of active management is made, with return expectations and performance established only through asset allocation selection. Emphasis is placed on adherence to a long term perspective, as outcomes can be impaired when deviations from allocations occur at inopportune moments in market cycles. The model selection choices allow for splits varying from 100% to 0% of Stocks and Bonds in increments of 10% (e.g. 90%/10%).

**Stable Allocation Models** - These Models are designed to offer a low cost, no transaction fee exposure to a strategically diversified set of asset classes and styles. After identifying the appropriate return objectives and restraints, we are able to offer portfolio allocation designed to conform to your financial objectives. As portfolio diversification explains over 90% of portfolio returns, our stable allocation will remain fully exposed to their predefined asset ranges over time, with rebalances occurring quarterly. This strategic allocation is determined through top down, macro-economic analysis designed to identify potential price opportunities over the intermediate term. By focusing on a longer time frame, this approach increases the potential to outperform commensurate benchmarks through mitigation of transactions and fees. The model selection choices allow for splits varying from 100% to 0% of Stocks and Bonds in increments of 10% (e.g. 90%/10%).

**Managed Select Portfolio Series** - The Series offers our clients the ability to custom design their portfolio composition through the selection of one or a combination of many portfolio strategies, all designed and managed to offer the best risk adjusted returns commensurate to their objective. Whether through all equity portfolios intended for high growth or income, through portfolios developed to satisfy capital preservation and income streams, or even portfolios created to take advantage of investor momentum or global macro themes, investors have the opportunity to mix any combination of portfolios to their own liking. The end result is a portfolio tailored to each investor's specific preference, with each component actively managed in a manner consistent with

its specific objective. . The model selection choices are: **Core Equity Income, Core Equity Growth, Dividend Growth Equity, High Growth Equity, Sector Alpha, Industry Momentum, Global Macro, Multi-Asset Class Income, Alternative Strategies, Strategic Core Income, Municipal Fixed Income**

### **Managed Portfolios Acknowledgement**

All portfolios managed by BerganKDV involve risk including the potential loss of principal. It is important that you work closely with your investment advisor in selecting the proper allocation and investment strategy for the portion you are allocating to BerganKDV. BerganKDV will actively manage your account to ensure your investments are in line with your risk tolerance, time horizon and overall financial objectives. BerganKDV is not responsible for investments or other products recommended or purchased outside of the BerganKDV managed portfolios. Past performance is not an indication of future results.

### **Financial Planning**

Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies including: living trusts, wills, estate tax review, powers of attorney and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

BerganKDV allows two options for the payment of financial planning fees, selection of which is at the discretion of the advisor: 1) Payments may be made in two installments; half at the commencement of the planning process and final payment due upon delivery of the completed plan. 2) Full payment may be made in advance. In the case of full payment, BerganKDV will deliver plans within six months of the date of the planning agreement. Client may cancel within five business days of signing the Investment Advisory Agreement for a full refund. If cancellation occurs after five business days, client will be entitled to a pro-rata refund based on work completed.

**LIMITATIONS:** Some advisors for BerganKDV are registered as representatives of a broker-dealer and/or as insurance agents/brokers of various insurance companies; recommendations made in financial plans are limited to only those products offered through these companies.

### **Retirement Plan Consulting Services**

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Retirement Plan Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

#### ***Investment Policy Statement Preparation (hereinafter referred to as "IPS")***

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

#### ***Selection of Investment Vehicles***

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

#### ***Monitoring of Investment Performance***

We monitor client investments based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### ***Employee Communications***

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we also provide quarterly educational support and investment workshops designed for the plan participants when the plan sponsor engages our firm to provide these services. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

#### ***Amount of Managed Assets***

As of 6/30/2015, we were actively managing \$329,260,808 of individual client's assets and \$xxx,xxx,xxx of retirement plan assets.

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

### **Investment Supervisory Services ("ISS")**

#### **Individual Portfolio Management/Managed Portfolio Fees**

The annualized fee for Investment Supervisory Services is charged as a percentage of assets under management, according to the following schedule:

<u>Assets Valuation</u>	<u>Annual Advisory Fee</u>
\$1 to \$2,000,000	1.00%
\$2,000,001 to \$5,000,000	0.85%
\$5,000,001 to \$10,000,000	0.65%
Over \$10,000,000	0.50%

This fee schedule is negotiable, and some current clients have a variation of these specifics (and some existing accounts are charged in arrears).

Other fees and charges, in addition to our investment management fees, may be imposed. Clients are responsible for the transaction and other fees charged by custodians and fund families (expense ratios) of particular securities. If a client account is terminated (de-linked from our management), fees paid in advance will be refunded on a prorated basis.

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

#### **lifewise™ Fee Structure**

lifewise™ offers four distinct services: Learn, Invest, Consult and Plan. Each

service level has a separate fee structure that combines a fixed planning fee and/or an annualized fee for investment supervisory services. The fee schedule is as follows:

- Learn Free
- Invest 0.75% on Assets under Management (AUM)
- Consult \$699 for planning consultation workplace  
0.60% AUM if assets are managed
- Plan \$999-\$2499 up-front, \$99-199 monthly retainer  
0.60% AUM if assets are managed

### Lifewise™ Workplace Fee Structure

Lifewise™ Workplace is a service provided to employers and employees. As a company benefit, employers may offer financial planning services to their employees through Lifewise™ Workplace for annual fee to the company (i.e. \$2,000 - \$10,000+). Employers may also subsidize planning services for their employees as an added benefit. Employees would pay an incremental fee on the investment management 0.25% to 0.50%, annually.

**Limited Negotiability of Advisory Fees** - Although BerganKDV has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

### Solicitor for Third Party Money Managers

BerganKDV and its associated persons may act as a solicitor and refer clients to third-party investment advisors that offer asset management services to clients. This will be described in detail under Item 10 of this brochure.

### Solicitor Fees

BerganKDV and its associated persons may be paid a portion of the fee charged and collected by the third-party investment advisors in the form of solicitor fees or consulting fees. BerganKDV's fees are negotiable depending on the size, complexity of the client's account(s) and other business considerations. A complete description of the third-party investment advisor's services, fee schedules and account minimums will be disclosed in the third party investment advisor's Form ADV, Schedule H Disclosure Brochure, or similar Disclosure Brochure.

Betterment, LLC, a third-party advisor, charges clients an all-inclusive annualized wrap fee of 0.25% of the client's account balance (further details about the fee are available in the Betterment Institutional Advisory Agreement). BerganKDV may charge a co-advisory fee that is in addition to the Betterment wrap that are outlined in BerganKDV's Investment Advisors Agreement and ADV Part 2A.

### Soft Dollar Arrangements

BerganKDV may receive economic benefits from third-party money managers or vendors in the form of items such as a dedicated trading desk, a dedicated service group and an account services manager dedicated to Advisor's accounts, software subscriptions and assistance on marketing or recruiting of advisors.

A conflict of interest exists when an Advisor receives soft dollars. This conflict may be mitigated by the fact that BerganKDV has a multitude of third-party money managers to choose from. The cost of any soft dollar arrangements are not passed to the client nor deducted from client's accounts.

### Financial Planning Fees

BerganKDV's Financial Planning fee is determined based on the nature and complexity of the services being provided. All fees are agreed upon prior to entering into a contract with any client. Financial Planning fees may be included in the asset management fees or charged separately depending on the individual client's circumstances.

### Fixed Fee

The fee for a financial plan is based on a negotiated fixed fee basis based on complexity and unique client needs, geographic market differences and the experience of the advisor preparing the plan.

### Hourly Fee

BerganKDV also provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements ranges between \$50-\$350 per hour, dependent upon the services requested and the complexity of the plan. Advance hourly payments are refundable based on the pro-rata work completed. Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

**Advisory Fees in General** - Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fee** - Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

### Retirement Plan Consulting Fees

Our fees for Retirement Plan Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

<u>Assets Under Advisement</u>	<u>Annual Fee</u>
< \$1,000,000	0.75% - 1.00%
\$1,000,001 - \$1,999,999	0.50% - 0.75%
\$2,000,000 - \$3,999,999	0.40% - 0.50%
\$4,000,000 - \$5,999,999	0.30% - 0.40%
\$6,000,000 - \$9,999,999	0.25% - 0.30%
\$10,000,000 - \$14,999,999	0.20% - 0.25%
\$15,000,000 - \$19,999,999	0.15% - 0.20%

BerganKDV offers several fee options. BerganKDV may be compensated based on an annual percentage of plan assets for services involving ongoing reviews, or it may be compensated by an hourly fee or fixed fee. Alternatively, these different types of fees may also be combined as appropriate for the different types of services requested by the client.

Typically, the annual fee ranges from 0.15% to 1.00% of plan assets depending on the services requested and the size of the plan. Fees will be based upon the value of the plan at the end of the previous period. Fees will not be adjusted based on additions and withdrawals during the calendar quarter.

BerganKDV's hourly charges range from \$150 to \$200 per hour. A fixed fee may be quoted based on an estimate of hours for the services requested. BerganKDV may request a retainer for hourly and fixed fee arrangements. The amount of a requested retainer will never exceed the fee for services to be provided within the first six months of an engagement.

Plan sponsors are invoiced in advance at the beginning of each calendar quarter.

### External Compensation for the Sale of Securities and Non-Securities Products to Clients

BerganKDV may receive any external compensation for the sale of securities to clients; investment advisor representatives of BerganKDV may also be registered representatives of a broker-dealer or an insurance agency. The aforementioned relationship creates a conflict of interest because BerganKDV may receive separate compensation that is normally associated with the sale of securities or non-securities products. In addition, the sale of securities or non-securities products can generate higher compensation over the traditional investments offered through the advisor. This conflict is moderated by the fact that clients are not required to purchase any product and may also purchase these products through any broker-dealer or independent insurance agent of their choosing.

The sales of an insurance product may result from recommendations of the financial plan. BerganKDV may receive compensation from the sale of insurance products and therefore a conflict of interest occurs. The commission structure built into insurance products is predetermined by the insurance companies and is not altered by BerganKDV. The product purchased by the client is issued by the insurance company and is no way altered by BerganKDV or the Advisor. Furthermore, the client has no obligation to do business with the

advisor/agent. Typically there is a first year commission ranging from 60% - 90% of target premium with a 1%-5% renewal commission in years 2-10 depending on the specific product and the insurance carrier.

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

BerganKDV does not charge performance-based fees.

## Item 7 - Types of Clients

BerganKDV provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Retirement Plans
- Corporations or other businesses not listed above

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

### Methods of Analysis

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting** - In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis** - We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. 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** - We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis** - In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Quantitative Analysis** - We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis** - We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation** - Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of equities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis** - We look at the experience and track record of the manager of the mutual fund or ETF (Exchange Traded Fund) in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis** - Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### Investment Strategies

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases** - We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases** - When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

**Trading** - We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

**Option writing** - We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person

purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

**Risk of Loss** - Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## Item 9 - Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

### **Criminal or Civil Actions**

The firm and its management do not have any criminal or civil actions to report.

### **Administrative Enforcement Proceedings**

The firm and its management have not been involved in any reportable administrative enforcement proceedings.

### **Self-Regulatory Organization Enforcement Proceedings**

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

## Item 10 - Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Management personnel of our firm are also partners in the accounting firm of BerganKDV Ltd., where they are individually licensed and practicing Certified Public Accountants providing accounting services for separate and typical compensation.

BerganKDV Ltd. typically recommends BerganKDV Wealth Management to accounting clients in need of advisory services. Conversely, BerganKDV Wealth Management typically recommends BerganKDV Ltd. to advisory clients in need of accounting services. Accounting services provided by BerganKDV Ltd. are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. No BerganKDV Wealth Management client is obligated to use BerganKDV Ltd. for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by us. BerganKDV Ltd. accounting services do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf.

### **Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

BerganKDV and its associated persons may act as a solicitor and refer clients to unaffiliated third-party investment advisors that offer asset management services to clients. As a result, BerganKDV and its associated persons may be paid a portion of the fee charged and collected by the third-party investment advisor in the form of solicitor fees or consulting fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3. BerganKDV has utilized the following third-party investment advisors in limited circumstances:

- Curian Capital
- Aspire
- Betterment, LLC (MTG, LLC, a FINRA member broker dealer).

Clients are advised that investment advisor representatives have a conflict of interest by only offering a third-party investment advisor that has agreed to pay a portion of its advisory fee to advisor. Clients are advised that there may be other third-party managed programs that may be suitable to the client that may be more or less costly. No guarantees can be made that the client's financial goals or objectives will be achieved. Further, no guarantees of performance can be offered. Investments involve risk, including the possible loss of principal.

BerganKDV performs a due diligence review on all third-party money management firms to ensure that they are properly registered in the states where BerganKDV conducts business.

BerganKDV also has a relationship with ValMark Securities Inc., as those employees registered as Registered Representatives of a Broker Dealer are registered through ValMark Securities Inc.

In one client account, BerganKDV currently utilizes the services (sub-managers) of other Registered Investment Advisors found on the Schwab custodial Platform. These Registered Investment Advisors are named as follows.

- ING
- William Blair
- JP Morgan Chase

In addition to the fees charged by BerganKDV stipulated in the Investment Advisory Agreement, the fee schedule charge by the above firms is as follows:

Total Assets	Equity Schedule	Fixed Income & Index
	Annual Fee Rate	Based Equity Schedule Annual Fee Rate
First \$250,000	1.00 %	0.65 %
Next \$250,000	0.85 %	0.65 %
Next \$500,000	0.80 %	0.60 %
Next \$1,000,000	0.75 %	0.55 %
Next \$3,000,000	0.70 %	0.50 %
Over \$5,000,000	0.65 %	0.45 %

All 529 Accounts are on the Schwab Platform. The Schwab 529 Plan is a 529 education investment program established by the state of Kansas, managed by American Century Investment Management, Inc., under the name Schwab 529 College Savings Plan, and available through Charles Schwab & Co., Inc. The Plan was created by the Kansas Legislature under the provisions of Section 529 of the Internal Revenue Code.

## Item 11 - Code of Ethics

### **Participation or Interest in Client Transactions and Personal Trading**

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

BerganKDV and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

BerganKDV's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [wealthmanagement@bergankdv.com](mailto:wealthmanagement@bergankdv.com), or by calling us at (888) 812-3533.

BerganKDV and individuals associated with our firm are prohibited from engaging in principal transactions.

BerganKDV and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with: (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We have established procedures for the maintenance of all required books and records.
6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
7. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
8. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
9. Any individual who violates any of the above restrictions may be subject to termination.

## Item 12 - Brokerage Practices

Brokers that we select to execute transactions may from time to time refer clients to our firm. BerganKDV will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and BerganKDV's interest in receiving future referrals.

As a matter of policy and practice, BerganKDV does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

BerganKDV may require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. BerganKDV is independently owned and operated and not affiliated with Schwab.

Schwab provides BerganKDV with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services *are not* contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other

investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Institutional also makes available to our firm other products and services that benefit BerganKDV but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to BerganKDV. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Equity and mutual fund trade rates are competitive (\$8.95 per equity trades for households with over \$1 million or those who have signed up for electronic access to their accounts, \$19.95 for others, and .43% of dollar amount commissions on mutual fund trades, with a maximum of \$49.99 for non-Schwab One Source Funds. All funds purchased by BerganKDV are generally One Source Funds, which have no transaction fee, unless sold within 90 days of purchase, where then there is a fee of \$49.99 or 1% of market value of the mutual fund).

Occasionally, to achieve best execution, BerganKDV will "bunch" or block trade client orders. Orders may be bunched where it permits best execution and provides a clear benefit to the participating clients. Certain clients may not be favored over others who would equally benefit.

Prior to execution of such an order, BerganKDV identifies which accounts will be included, and how allocations among those accounts will be effectuated. If a block trade is not fully filled, executed shares are allocated on a pro rata basis, as are the remaining shares when they are filled. No client is favored over another, as all executed shares will transact at the same price (or average price for multiple fills.) Clients must receive individualized advice as to their participation in bunched trades.

BerganKDV does not include any accounts in which it or any of its principals has a proprietary interest, including general partner interests in investment partnerships in the allocation.

In the event of an error while placing a trade for an account BerganKDV bears the costs of correcting the trade (if the cost is under \$100, Schwab will absorb the cost, anything higher and BerganKDV is responsible for payment). If the trade error results in a gain in the traded position, this gain inures to Schwab. In either instance, the client will neither lose nor gain from the error. When trade



errors are identified and corrected after settlement, the client must be "made whole" (i.e. the client is in as good or better position than they were prior to the trade), which includes the payment of interest or reimbursement for margin interest for the time period the client's funds were tied up.

## Item 13 - Review of Accounts

### Investment Supervisory Services ("ISS")

#### Individual Portfolio Management

**Reviews** - While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least *annually*. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by the CEO, CIO or CCO.

**Reports** - In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide either monthly and/or quarterly reports summarizing account performance, balances and holdings.

#### Retirement Plan Consulting Services

**Reviews** - BerganKDV will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. BerganKDV will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by the Retirement Planning Solution Leader or an approved designee.

**Reports** - BerganKDV will provide reports to Retirement Plan Consulting Services clients based on the terms set forth in the client's Investment Policy Statement (IPS).

#### Financial Planning Services

**Reviews** - While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**Reports** - Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

## Item 14 - Client Referrals and Other Compensation

### Client Referrals

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is BerganKDV's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

#### Referral Fees

BerganKDV receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through BerganKDV's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with BerganKDV. Schwab does not supervise BerganKDV and has no responsibility for BerganKDV of clients' portfolios or Advisor's other advice or services. BerganKDV pays Schwab fees to receive client referrals through the Service. BerganKDV's participation in the Service may raise potential conflicts of interest described below.

BerganKDV pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by BerganKDV is a percentage of the fees the client owes to BerganKDV or a percentage of the value of the assets in the client's account. BerganKDV pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to BerganKDV quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by BerganKDV and not by the client. BerganKDV has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs BerganKDV charges clients with similar portfolios who were not referred through the Service.

BerganKDV generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, BerganKDV will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of BerganKDV clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, BerganKDV will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit BerganKDV fees directly from the accounts.

For accounts of BerganKDV clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from BerganKDV clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, BerganKDV may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. BerganKDV nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for BerganKDV's other clients. Thus, trades for accounts held at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

#### Other Compensation

Some of our financial advisors are Registered Representatives of a Broker/Dealer and may earn commissions on sale of securities through the independent Broker/Dealer.

## Item 15 - Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send, or make available in electronic format, account statements. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current. Our firm does not have actual or constructive custody of client accounts.

## **Item 16 - Investment Discretion**

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Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

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

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We vote proxies for all client accounts; however, clients always have the right to vote proxies themselves. You can exercise this right by instructing us in writing to not vote proxies in their accounts.

We will vote proxies in the best interests of our clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a copy of any document created by us that was material to making a decision on how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Lori Buettner by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s),

including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Clients can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. Clients can also instruct us on how to cast their votes in a particular proxy contest by contacting us at [wealthmanagement@bergankdv.com](mailto:wealthmanagement@bergankdv.com).

## **Item 18 - Financial Information**

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As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. BerganKDV has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

BerganKDV has not been the subject of a bankruptcy petition at any time during the past ten years.

## Brochure Supplement (Part 2B of Form ADV)

July 1, 2015

### Executive Officers and Management Brochure

This brochure supplement provides information about the Executive Officers and Management that supplements the BerganKDV Wealth Management, LLC brochure. You should have received a copy of that brochure. Please contact us at the above address, if you did not receive BerganKDV Wealth Management, LLC's brochure or if you have any questions about the contents of this supplement. Additional information about the Executive Officers and Management may be available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

#### Certified Financial Planner (CFP®):

Certified Financial Planner is a designation granted by the CFP® Board. CFP® requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.
- Once the CFP® designation is obtained, the CFP® must renew the certification every year, pay a certification fee and complete 30 hours of continuing education.

#### Chartered Financial Analyst (CFA):

Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

#### Certified Public Accountant (CPA):

- In order to become a CPA in the United States, the candidate must sit for and pass the Uniform Certified Public Accountant Examination, which is set by the American Institute of Certified Public Accountants and administered by the National Association of State Boards of Accountancy. Eligibility to sit for the Uniform CPA Exam is determined by individual State Boards of Accountancy. Typically the requirement is a Bachelor's degree which includes a minimum number of qualifying credit hours in accounting and business administration with an additional 1 year study. All CPA candidates must pass the Uniform CPA Examination to qualify for a CPA certificate and license (i.e., permit to practice) to practice public accounting. CPAs are required to take continuing education courses in order to renew their license. Requirements vary by state. The vast majority of states require 120 hours of CPE every 3 years with a minimum of 20 hours per calendar year. The requirement can be fulfilled through attending live seminars, webcast seminars, or through self-study (textbooks, videos, online courses, all of which require a test to receive credit). As part of the CPE requirement, most states require their CPAs to take an ethics course during every renewal period. Ethics requirements vary by state, and the courses range from 2–8 hours

#### Chartered Financial Consultant (ChFC):

Chartered Financial Consultants are licensed by the American College to use the ChFC mark. ChFC certification requirements:

- Complete ChFC coursework within five years from the date of initial enrollment
- Pass the exams for all required elective courses. You must achieve a minimum score of 70% to pass.
- Meet the experience requirements: Three years of business experience immediately preceding the date of use of the designation are required. An undergraduate or graduate degree from an accredited educational institution qualifies as one year of business experience.
- Take the Professional Ethics Pledge.
- When you achieve your ChFC designation, you must earn your recertification every two years.

#### Chartered Life Underwriter (CLU):

Chartered Life Underwriters are licensed by the American College to use the CLU mark. CLU certification requirements:

- Complete successfully CLU coursework 5 required and 3 elective
- Meet the experience requirements: Three years of business experience immediately preceding the date of use of the designation are required. An undergraduate or graduate degree from an accredited educational institution qualifies as one year of business experience.
- Take the Professional Ethics Pledge.
- When you achieve your CLU designation, you must earn 30 hours of continuing education credit every two years.
- Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:
  - Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
  - Successful completion of all three exam levels of the CFA Program.
  - Have 48 months of acceptable professional work experience in the investment decision-making process.
  - Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
  - Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

#### Accredited Investment Fiduciary (AIF®):

Accredited Investment Fiduciary is issued by the Center for Fiduciary Studies. AIF certification requirements:

- AIF designation requires the passing score of 75% or better on a 90-minute examination

Once accredited, AIF designees have the following annual obligations:

- Sign and agree to abide by a Code of Ethics
- Complete appropriate continuing education requirements
- Submit a renewal application with \$325 in annual dues

Continuing Education Requirements

- AIF designees are required to complete six hours of continuing education annually. The continuing education offerings are offered via live conference events, live webinars, and on-demand webinars.

#### Education and Business Standards

BerganKDV requires each investment advisory agent who renders investment and financial planning to clients to be an investment advisor representative meeting the registration requirements in their applicable state.

## David Hinnenkamp, Chief Executive Officer/Owner



**Year of Birth:** 1962

### Education

- St. Cloud State University; BS, Accounting; 1984

### Business Experience

- BerganKDV Ltd.; Accountant; from 1984 to 1992
- BerganKDV Ltd.; Partner; from 1992 to Present
- BerganKDV Wealth Management; CEO; from 2007 to Present

### Designations

Dave Hinnenkamp has earned the following designation(s) and is in good standing with the granting authority:

- Certified Public Accountant; American Institute of Certified Public

### Disciplinary Information

Dave has no reportable disciplinary history.

### Other Business Activities

Dave is not engaged in any other investment-related activities. Dave does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

Dave is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### Additional Compensation

Dave does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### Supervision

Dave's advisory activities are reviewed by Greg Stecher, Chief Compliance Officer. He reviews Dave's advisory work through frequent office interactions. The CCO also reviews Dave's activities through our client relationship management system. Greg Stecher's contact information: Tele: (952) 563-6930, Email: greg.stecher@bergankdv.com

## Paul Radeke, Partner



**Year of Birth:** 1970

### Education

- University of Minnesota Duluth; BS, Accounting; 1993

### Business Experience

- Laraway Financial Advisors; Financial Advisor; from 2006 to 2009
- BerganKDV Wealth Management; Financial Advisor; from 2009 to Present

- BerganKDV Ltd.; Partner; from 2013 to Present

### Designations

Paul Radeke has earned the following designation(s) and is in good standing with the granting authority:

- Certified Financial Planner™; Certified Financial Planner Board of Standards, Inc.;

### Disciplinary Information

Paul has no reportable disciplinary history.

### Other Business Activities

Paul is also engaged in the following investment-related activities:

### Registered representative of a broker-dealer

BerganKDV Wealth Management is a separate and non-affiliated entity of ValMark Securities, an independent Broker Dealer. Any commission generated transactions effectuated through ValMark inure to Wealth Management, not to the individual Registered Representative through whom the transaction was directed. Therefore, there is no incentive for any Registered Representative to generate transactions for the purpose commission generation.

Paul does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

Paul is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### Additional Compensation

Paul does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### Supervision

Paul's advisory activities are supervised by Dave Hinnenkamp, Chief Executive Officer. He reviews Paul's advisory work through frequent office interactions. Dave Hinnenkamp also reviews Paul's activities through our client relationship management system. Dave Hinnenkamp's contact information: Tele: (320) 650-0250, Email: dave.hinnenkamp@bergankdv.com.

## Gregory Stecher, Chief Compliance Officer



**Year of Birth:** 1961

### Education

- University of Iowa
- Majors: Marketing and Finance
- Minor: Computer Science

### Business Experience

- AXA Equitable, Senior Vice President – Regional Administrative Officer; March 1985 to April 2007
- GWG Life, Chief Operations Officer; October 2007

to January 2009

- Gradient Securities/Gradient Advisors, Chief Compliance Officer; October 2009 to November 2013
- BerganKDV Wealth Management, Director of Operations/Chief Compliance Officer; November 2013 to present

### Qualifications

- FINRA Exams Series 6, 7, 24, 53, 66, 99

### Disciplinary Information

Greg has no reportable disciplinary history.

### Other Business Activities

Greg is not involved in any outside business activities.

### Additional Compensation

Greg does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### Supervision

Greg's activities are supervised by Dave Hinnenkamp, Chief Executive Officer. He reviews Greg's work through frequent office interactions. Dave Hinnenkamp also reviews Greg's activities through our client relationship management system. Dave Hinnenkamp's contact information: Tele: (320) 650-0250, Email: dave.hinnenkamp@bergankdv.com.

## Derek Hoyt, Chief Investment Officer



**Year of Birth:** 1971

### Education

- St. Olaf College; BS, Biology; 1994
- University of Minnesota; Masters, Applied Economics; 2004

### Business Experience

- Analytics Investment Advisors; Account Manager; from 2000 to 2006
- BerganKDV Wealth Management; Portfolio Manager; from 2007 to Present

### Designations

Derek Hoyt has earned the following designation(s) and is in good standing with the granting authority:

- Chartered Financial Analyst®; CFA Institute;

This designation is offered by the CFA Institute (formerly the Association for Investment Management and Research [AIMR]). To obtain the CFA® charter, candidates must successfully complete three exams and gain at least four (4) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

**Disciplinary Information**

Derek has no reportable disciplinary history.

**Other Business Activities**

Derek is not engaged in any other investment-related activities. Derek does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

Derek is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

**Additional Compensation**

Derek does not receive any economic benefit from a non-advisory client for the provision of advisory services.

**Supervision**

Derek's advisory activities are supervised by Dave Hinnenkamp, Chief Executive Officer. He reviews Derek's advisory work through frequent office interactions. Dave Hinnenkamp also reviews activities through our client relationship management system. Dave Hinnenkamp's contact information: Tele: (320) 650-0250, Email: [dave.hinnenkamp@bergankdv.com](mailto:dave.hinnenkamp@bergankdv.com).