

# Higgins & Schmidt Wealth Strategies Wrap Fee Program Brochure

*This wrap fee program brochure provides information about the qualifications and business practices Higgins & Schmidt Wealth Strategies. If you have any questions about the contents of this brochure, please contact us at (720) 287-0918 or by email at: [molly@HSWScolorado.com](mailto:molly@HSWScolorado.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 Higgins & Schmidt Wealth Strategies is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Higgins & Schmidt Wealth Strategies' CRD number is: 286063.*

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

Version Date: 3/24/25

## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment on 03/14/2024, of Higgins & Schmidt Wealth Strategies. Material changes relate to Higgins & Schmidt Wealth Strategies policies, practices or conflicts of interests.

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## Item 4: Services Fees and Compensation

Higgins & Schmidt Wealth Strategies (hereinafter "HSWS") offers the following services to advisory clients:

### A. Description of Services

HSWS participates in and sponsors a wrap fee program, which allows HSWS to manage client accounts for a single fee that includes both portfolio management services and brokerage costs. The fee schedule is set forth below:

Total Assets Under Management	Quarterly Fee	Annual Fee
\$500,000 - \$1,000,000	0.375%	1.50%
\$1,000,001 - \$3,000,000	0.313%	1.25%
\$3,000,001 - \$5,000,000	0.250%	1.00%
\$5,000,001 - \$7,500,000	0.213%	0.85%
\$7,500,001 - \$10,000,000	0.188%	0.75%
Over \$10,000,001	0.163%	0.65%

These fees are negotiable depending upon the needs of the client and complexity of the situation. The final fee schedule is attached as Exhibit II of the client contract.

The advisory fee is calculated using the value of the assets on the last business day of the prior billing period, taking into account the previous quarter's deposits and withdrawals. Fees are paid quarterly in advance. Refunds are given on a prorated basis, based on the number of days remaining in the billing period on the effective date of termination. The fee refunded will be the balance of the fees collected in advance minus the daily rate\* times the number of days in the billing period up to and including the effective date of termination. (\*The daily rate is calculated by dividing the annual fee by 360).

Clients may terminate the contract without penalty, for full refund, within five business days of signing the contract. Thereafter, clients may terminate the contract immediately upon written notice.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. For fees deducted directly from client accounts HSWS will:

(A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.

(B) Utilize a custodian that sends at least quarterly statements reflecting all additions and deductions, including the amount of advisory fees.

## **B. Contribution Cost Factors**

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

## **C. Additional Fees**

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees, such as, transition fees if the account is moved to another broker, or internal investment expenses.

## **D. Compensation of Client Participation**

Neither HSWS, nor any representatives of HSWS receive any additional compensation beyond advisory fees for the participation of clients in the wrap fee program. However, compensation received may be more than what would have been received if client paid a different advisor separately for investment advice, brokerage, and other services. Therefore, HSWS may have a financial incentive to recommend the wrap fee program to clients.

# **Item 5: Account Requirements and Types of Clients**

HSWS generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

There is an account minimum of \$500,000, which may be waived by HSWS in its discretion.

# **Item 6: Portfolio Manager Selection and Evaluation**

## **A. Selecting/Reviewing Portfolio Managers**

HSWS will not select any outside portfolio managers for management of this wrap fee program. HSWS will be the sole portfolio manager for this wrap fee program.

### ***Standards Used to Calculate Portfolio Manager Performance***

HSWS will use industry standards to calculate portfolio manager performance.

## ***Review of Performance Information***

HSWS reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed periodically and is reviewed by HSWS.

### **B. Related Persons**

HSWS and its personnel serve as the portfolio managers for all wrap fee program accounts. This is a conflict of interest in that no outside adviser assesses HSWS's management of the wrap fee program. However, HSWS addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program.

### **C. Advisory Business**

HSWS offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

## ***Wrap Fee Portfolio Management***

HSWS offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. HSWS creates an Personal Investment Policy Statement for each client, which outlines the client's current financial situation and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management includes, but is not limited to, the following:

- Determine Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Assessment of risk tolerance
- Regular portfolio monitoring

HSWS evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. HSWS will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction; however, it may also provide non-discretionary portfolio management at the client's election.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. HSWS will charge clients one fee and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, charges imposed directly by a mutual fund or exchange traded fund, deferred sales

charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity. HSWS addresses this conflict by acting in its clients' best interest consistent with its fiduciary duty as sponsor and portfolio manager of the wrap fee program. HSWS will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

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

HSWS does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### ***Services Limited to Specific Types of Investments***

HSWS generally limits its investment advice to mutual funds, fixed income securities, equities, ETFs, unit investment trusts, separately managed accounts and structured products. HSWS may use other securities as well to help diversify a portfolio when applicable.

Clients should also be aware that for accounts where LPL Financial serves as the custodian, HSWS is limited to offering services and investment vehicles that are approved by LPL Financial, and may be prohibited from offering services and investment vehicles that may be available through other broker-dealers and custodians, some of which may be more suitable for a client's portfolio than the services and investment vehicles offered through LPL Financial.

### ***Written Acknowledgement of Fiduciary Status***

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours. Under this special rule's provisions, we must:

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



### ***Client Tailored Services and Client Imposed Restrictions***

HSWS will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by HSWS on behalf of the client.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs, which restrictions will be documented in the Investment Policy Statement. However, if the restrictions prevent HSWS from properly servicing the client account, or if the restrictions would require HSWS to deviate from its standard suite of services, HSWS reserves the right to end the relationship.

### ***Wrap Fee Programs***

HSWS sponsors and acts as portfolio manager for this wrap fee program. HSWS manages the investments in the wrap fee program. The fees paid to the wrap account program will be given to HSWS as a management fee.

### ***Amounts Under Management***

HSWS has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$ 215,146,264	\$0.00	December 2024

### ***Methods of Analysis and Investment Strategies***

HSWS's methods of analysis include modern portfolio theory. Modern portfolio theory is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

HSWS also uses long term trading. It may also recommend use of margin to generate cash flow for clients, but not as part of its overall investment strategy.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Material Risks Involved***

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more

risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Long term trading** is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Risks of Specific Securities Utilized***

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

**Unit Investment Trusts** will, generally speaking, inherit the risks of the underlying securities, and may not be appropriate for investors seeking capital preservation. Complex UITs are subject to a number of risks that include increased volatility and greater potential for loss, and are not suitable for all investors.

**Structured notes** are debt securities issued by financial institutions with performance linked to an underlying index or indices. Specifically, the return is typically based on a single equity, a basket of equities, equity indices, interest rates, commodities, or foreign currencies. The performance of a structured note is linked to the performance of the underlying investment, so risk factors applicable to that investment will also apply to the structure note. Investing in structured notes also carries liquidity risk, credit risk, and market risk. There is also the risk of capital loss and additional complexity beyond more direct investment in the underlying asset.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### ***Voting Client Proxies***

HSWS will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 7: Client Information Provided to Portfolio Managers**

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

## **Item 8: Client Contact with Portfolio Managers**

HSWS places no restrictions on client ability to contact its portfolio managers. HSWS's representatives can be contacted during regular business hours and contact information is on the cover page of their respective Form ADV Part 2B brochure supplements.

## **Item 9: Additional Information**

### **A. Disciplinary Action and Other Financial Industry Activities**

There are no criminal, civil, administrative, or self-regulatory organization proceedings to report.

### ***Registration as a Broker/Dealer or Broker/Dealer Representative***

Steven Higgins, Allison Schmidt, and Molly Cooper are registered representatives of LPL Financial. At this time, they may offer clients advice or products from those activities and clients should be aware that these services involve a conflict of interest. To mitigate this conflict of interest, HSWS always acts in the best interest of the client and clients always have the right to utilize or decline the services of any representative of HSWS in connection with such individual's activities outside of HSWS.

### ***Registration as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor***

Neither HSWS nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.

### ***Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests***

Steven Higgins, Allison Schmidt, and Molly Cooper are registered representatives of LPL Financial. At this time, they may offer clients advice or products from those activities and clients should be aware that these services involve a conflict of interest. To mitigate this conflict of interest, HSWS always acts in the best interest of the client and clients always have the right to utilize or decline the services of any representative of HSWS in connection with such individual's activities outside of HSWS.

### ***Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections***

HSWS may utilize LPL Financial as third-party manager for smaller accounts. There is an inherent conflict of interest in that HSWS has an incentive to direct clients to third-party investment advisers that provide HSWS with a larger fee split. To mitigate this conflict, HSWS will always act in the best interests of the client, including when determining which third party investment adviser to recommend to clients. HSWS will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where HSWS is recommending the adviser to clients.

## **B. Code of Ethics, Client Referrals, and Financial Information**

### ***Code of Ethics***

HSWS has a written Code of Ethics that covers the following areas:

- Prohibited Purchases and Sales
- Compliance Procedures
- Insider Trading
- Personal Securities Transactions

- Exempted Transactions
- Prohibited Activities
- Conflicts of Interest
- Gifts and Entertainment
- Confidentiality
- Service on a Board of Directors
- Compliance with Laws and Regulations
- Procedures and Reporting
- Certification of Compliance
- Reporting Violations
- Compliance Officer Duties
- Training and Education
- Recordkeeping
- Annual Review
- Sanctions

HSWS will do everything to mitigate conflicts of interest by (i) disclosing to the client any conflict of interest and (ii) always acting in the best interest of the client consistent with its fiduciary duty. ALL PROSPECTIVE AND CURRENT CLIENTS HAVE A RIGHT TO SEE THIS CODE OF ETHICS. FOR A COPY OF THE CODE OF ETHICS, PLEASE ASK US AT ANY TIME.

### ***Recommendations Involving Material Financial Interests***

HSWS does not recommend that clients buy or sell any security in which a related person to HSWS or HSWS has a material financial interest.

### ***Investing Personal Money in the Same Securities as Clients***

From time to time, representatives of HSWS may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of HSWS to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a conflict of interest. HSWS will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Trading Securities At/Around the Same Time as Clients' Securities***

From time to time, representatives of HSWS may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of HSWS to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a conflict of interest; however, HSWS will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### ***Frequency and Nature of Periodic Reviews and Who Makes Those Reviews***

Client accounts are reviewed at least quarterly only by Molly Cooper, Chief Compliance Officer. The CCO is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at HSWS are assigned to this reviewer.

### ***Factors That Will Trigger a Non-Periodic Review of Client Accounts***

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

### ***Content and Frequency of Regular Reports Provided to Clients***

Each client will receive a quarterly statement detailing the client's account, including assets held, asset value, and calculation of fees, which will come from the custodian. Some accounts may generate monthly statements, depending on the level of trading and transfer activity

### ***Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)***

HSWS does not receive any economic benefit, directly or indirectly from any third party for advice rendered to HSWS clients.

### ***Compensation to Non – Advisory Personnel for Client Referrals***

HSWS does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### ***Balance Sheet***

HSWS does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### ***Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients***

Neither HSWS nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### ***Bankruptcy Petitions in Previous Ten Years***

HSWS has not been the subject of a bankruptcy petition in the last ten years.



## Item 1: Cover Page

*This brochure supplement provides information about Molly Jeanne Cooper that supplements the Higgins & Schmidt Wealth Strategies brochure. You should have received a copy of that brochure. Please contact Molly Jeanne Cooper if you did not receive Higgins & Schmidt Wealth Strategies' brochure or if you have any questions about the contents of this supplement.*

*Additional information about Molly Jeanne Cooper is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

# Higgins & Schmidt Wealth Strategies

## Form ADV Part 2B – Individual Disclosure Brochure

*for*

**Molly Jeanne Cooper**

Personal CRD Number: 6181705

Investment Adviser Representative

Higgins & Schmidt Wealth Strategies

1934 Market Street  
Denver, CO 80202  
(720) 287-0918  
[molly@HSWScolorado.com](mailto:molly@HSWScolorado.com)



## Item 2: Educational Background and Business Experience

**Name:** Molly Jeanne Cooper      **Born:** 1990

### **Educational Background and Professional Designations:**

#### **Education:**

Bachelor of Arts Psychology/Theology, College of Saint Benedict - 2012

#### **Business Background:**

04/2024 - Present	Financial Advisor Higgins & Schmidt Wealth Strategies
02/2017 - Present	Chief Compliance Officer Higgins & Schmidt Wealth Strategies
02/2017 - 04/2024	Registered Admin. LPL Financial
06/2014 - 12/2016	Associate Financial Advisor Higgins & DeYoung Wealth Strategies
04/2013 - 03/2014	Financial Advisor Edward Jones
10/2012 - 04/2013	Client Service Associate Deml Insurance Agency

## Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

## Item 4: Other Business Activities

Molly Jeanne Cooper is not engaged in any investment-related business or occupation (other than this advisory firm).

### **Item 5: Additional Compensation**

Molly Jeanne Cooper does not receive any economic benefit from any person, company, or organization, other than Higgins & Schmidt Wealth Strategies in exchange for providing clients advisory services through Higgins & Schmidt Wealth Strategies.

### **Item 6: Supervision**

As the Chief Compliance Officer of Higgins & Schmidt Wealth Strategies, Molly Jeanne Cooper supervises all activities of the firm. Molly Jeanne Cooper 's contact information is on the cover page of this disclosure document. Molly Jeanne Cooper adheres to applicable regulatory requirements, together with all policies and procedures outlined in the firm's code of ethics and compliance manual.

## Item 1: Cover Page

*This brochure supplement provides information about Steven Grant Higgins that supplements the Higgins & Schmidt Wealth Strategies brochure. You should have received a copy of that brochure. Please contact Steven Grant Higgins if you did not receive Higgins & Schmidt Wealth Strategies' brochure or if you have any questions about the contents of this supplement.*

*Additional information about Steven Grant Higgins is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

# Higgins & Schmidt Wealth Strategies

## Form ADV Part 2B – Individual Disclosure Brochure

*for*

**Steven Grant Higgins**

Personal CRD Number: 4785771

Investment Adviser Representative

Higgins & Schmidt Wealth Strategies

1934 Market Street

Denver, CO 80202

(720) 287-0918

[steven@HSWScolorado.com](mailto:steven@HSWScolorado.com)

## Item 2: Educational Background and Business Experience

**Name:** Steven Grant Higgins **Born:** 1979

### **Educational Background and Professional Designations:**

#### **Education:**

Bachelor of Science Political Science, North Dakota State University - 2001

#### **Business Background:**

03/2017 - Present	Principal Higgins & Schmidt Wealth Strategies
03/2017 - Present	Registered Representative LPL Financial
12/2010 – Present	Branch Manager Higgins & DeYoung Wealth Strategies
09/2010 - 05/2017	Financial Advisor Raymond James Financial Services
01/2006 - 09/2010	Financial Advisor Edward Jones Investments

## Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

## Item 4: Other Business Activities

Steven Grant Higgins is a registered representative with LPL Financial. From time to time, he will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Higgins & Schmidt Wealth Strategies always acts in the best interest of the client; including in the sale of commissionable products to

advisory clients. Clients are in no way required to utilize the services any representative of Higgins & Schmidt Wealth Strategies in such individual's outside capacity.

### **Item 5: Additional Compensation**

Steven Grant Higgins may receive any economic benefit from any person, company, or organization, other than Higgins & Schmidt Wealth Strategies in exchange for providing clients advisory services through Higgins & Schmidt Wealth Strategies.

### **Item 6: Supervision**

As a representative of Higgins & Schmidt Wealth Strategies, Steven Grant Higgins is supervised by Molly Jeanne Cooper, the firm's Chief Compliance Officer, who is responsible for ensuring that Steven Grant Higgins adheres to all required regulations regarding the activities of an Investment Adviser Representative, as well as all policies and procedures outlined in the firm's Code of Ethics and compliance manual. The phone number for Molly Jeanne Cooper is (720) 287-0918.

## Item 1: Cover Page

*This brochure supplement provides information about Allison Louise Schmidt that supplements the Higgins & Schmidt Wealth Strategies brochure. You should have received a copy of that brochure. Please contact Allison Louise Schmidt if you did not receive Higgins & Schmidt Wealth Strategies' brochure or if you have any questions about the contents of this supplement.*

*Additional information about Allison Louise Schmidt is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

# Higgins & Schmidt Wealth Strategies

## Form ADV Part 2B – Individual Disclosure Brochure

*for*

**Allison Louise Schmidt**

Personal CRD Number: 5631247

Investment Adviser Representative

Higgins & Schmidt Wealth Strategies

1934 Market Street

Denver, CO 80202

(720) 287-0918

[allison@HSWScolorado.com](mailto:allison@HSWScolorado.com)

## Item 2: Educational Background and Business Experience

**Name:** Allison Louise Schmidt

**Born:** 1983

### **Educational Background and Professional Designations:**

#### **Education:**

Bachelor of Science - Accounting, Butler University - 2005

#### **Designations:**

##### **CFP® - Certified Financial Planner**

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:

- i. 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

- ii. 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.

### ***CPA - Certified Public Accountant***

- CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination.
- In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services.
- In addition to the *Code of Professional Conduct*, AICPA members who provide personal financial planning services are required to follow the *Statement on Standards in Personal Financial Planning Services* (SSPFPS).

### **Business Background:**

03/2017 - Present	Principal Higgins & Schmidt Wealth Strategies
03/2017 - Present	Registered Representative LPL Financial
09/2010 - Present	Financial Advisor Higgins & DeYoung Wealth Strategies, LLC
01/2009 - 08/2010	Financial Advisor Edward Jones
09/2006 - 12/2008	Financial Statement Auditor



### **Item 3: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

### **Item 4: Other Business Activities**

Allison Louise Schmidt is a registered representative with LPL Financial and a Financial Advisor with Higgins & Schmidt Wealth Strategies. From time to time, she will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. Higgins & Schmidt Wealth Strategies always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services any representative of Higgins & Schmidt Wealth Strategies in such individual's outside capacity.

### **Item 5: Additional Compensation**

Allison Louise Schmidt may receive any economic benefit from any person, company, or organization, other than Higgins & Schmidt Wealth Strategies in exchange for providing clients advisory services through Higgins & Schmidt Wealth Strategies.

### **Item 6: Supervision**

As a representative of Higgins & Schmidt Wealth Strategies, Allison Louise Schmidt is supervised by Molly Jeanne Cooper, the firm's Chief Compliance Officer, who is responsible for ensuring that Allison Louise Schmidt adheres to all required regulations regarding the activities of an Investment Adviser Representative, as well as all policies and procedures outlined in the firm's Code of Ethics and compliance manual. The phone number for Molly Jeanne Cooper is (720) 287-0918.



# Higgins & Schmidt Wealth Strategies, LLC

1934 Market Street, Denver, Colorado 80202

(720) 287-0918

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## PRIVACY POLICY

Investment advisers are required by law to inform their clients of their policies regarding privacy of client information. We are bound by professional standards of confidentiality that are even more stringent than those required by law. Federal law gives the customer the right to limit some but not all sharing of personal information. It also requires us to tell you how we collect, share, and protect your personal information.

### TYPES OF NONPUBLIC PERSONAL INFORMATION (NPI) WE COLLECT

We collect nonpublic personal information about you that is either provided to us by you or obtained by us with your authorization. This can include but is not limited to your Social Security Number, Date of Birth, Banking Information, Financial Account Numbers and/or Balances, Sources of Income, and Credit Card Numbers or Information. When you are no longer our customer, we may continue to share your information only as described in this notice.

### PARTIES TO WHOM WE DISCLOSE INFORMATION

All Investment Advisers may need to share personal information to run their everyday business. In the section below, we list the reasons that we may share your personal information:

- For everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus;
- For our marketing – to offer our products and services to you;
- For joint marketing with other financial companies;
- For our affiliates' everyday business purposes – information about your transactions and experiences and information about your creditworthiness; or
- For non-affiliates to market to you.

If you are a new customer we may begin sharing your

information on the day you sign our agreement. When you are no longer our customer, we may continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

### PROTECTING CONFIDENTIALITY OF CURRENT AND FORMER CLIENT'S INFORMATION

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law, including computer safeguards and secured files and building.

### FEDERAL & STATE LAW ALLOWS YOU TO LIMIT SHARING – OPTING OUT

Federal law allows you the right to limit the sharing of your NPI by “opting-out” of the following: sharing for non-affiliates' everyday business purposes – information about your creditworthiness; or sharing with affiliates or non-affiliates who use your information to market to you. State laws and individual companies may give you additional rights to limit sharing. Please notify us immediately if you choose to opt out of these types of sharing.

**DEFINITIONS:** Affiliates – companies related by common ownership or control. They can be financial and non-financial companies; Non-affiliates – companies not related by common ownership or control. They can be financial and non-financial companies; Joint marketing – a formal agreement between non-affiliated financial companies that together market financial products or services to you.

*Please call if you have any questions. Your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.*

# Form ADV Part 3 – Client Relationship Summary

Date: 03/30/2021

## Item 1: Introduction

Higgins & Schmidt Wealth Strategies is an investment adviser offering advisory accounts and services. Brokerage and investment advisory services and fees differ, and it is important that you understand the differences. This document gives you a summary of the types of services and fees we offer. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and for educational materials about broker-dealers, investment advisers, and investing.

## Item 2: Relationships and Services

*Questions to ask us: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

What investment services and advice can you provide me? Our firm offers the following investment advisory service to retail clients: portfolio management via a wrap fee program (we review your portfolio, investment strategy, and investments). As part of our standard services, we typically monitor client accounts on a daily basis. Our firm offers both discretionary advisory services (where our firm makes the decision regarding the purchase or sale of investments) as well as non-discretionary services (where the retail investor makes the ultimate decision). We limit the types of investments that are recommended since not every type of investment vehicle is needed to create an appropriate portfolio; while this is a limited menu of investments, it is not limited to proprietary products. Our minimum account size is \$500,000. Please also see our Form ADV Part 2A ("[Brochure](#)"), specifically Items 4 & 7.

## Item 3: Fees, Costs, Conflicts, and Standard of Conduct

*Questions to ask us: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me? How might your conflicts of interest affect me, and how will you address them?*

What fees will I pay? The amount of assets in your account affects our advisory fee; the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee. Our fees are annual and based on a percentage of assets under management (AUM). They are assessed quarterly by using the value of the account on the last day of the quarter (3.31, 6.30, 9.30, and 12.31) and multiplying that value by 1/4 of the annual fee. You pay our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected. Our fee schedule is below:

Total Assets Under Management	Quarterly Fee	Annual Fee
\$500,000 - \$1,000,000	0.375%	1.50%
\$1,000,001 - \$3,000,000	0.313%	1.25%
\$3,000,001 - \$5,000,000	0.250%	1.00%
\$5,000,001 - \$7,500,000	0.213%	0.85%

# Form ADV Part 3 – Client Relationship Summary

Date: 03/30/2021

Total Assets Under Management	Quarterly Fee	Annual Fee
\$7,500,001 - \$10,000,000	0.188%	0.75%
Over \$10,000,001	0.163%	0.65%

Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. The same goes for any additional fees you pay to a custodian. For the wrap fee program, you will not typically pay additional transaction fees and thus our advisory fee is higher than if you paid transaction fees separately. **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. All performance referenced on your statements are net of fees.** Please also see our [Brochure](#) for additional details.

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have? When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means: Our financial professionals have the ability to receive commissions from clients and therefore may have an incentive to recommend products that provide them or us additional compensation over those that do not. Also, because we manage your portfolio in a wrap fee program, we have an incentive to limit trading in your account and to favor asset types that do not have a transaction fee in order to minimize trading expenses that we would have to normally pay out of our management fee.

How do your financial professionals make money? Primarily, we receive cash compensation from the advisory services we provide to you because of the advisory fees we receive from you. Please also see the paragraph immediately above, as well as Item 9 of our [Brochure](#) for additional details.

## Item 4: Disciplinary History

Questions to ask us: As a financial professional, do you have any disciplinary history? For what type of conduct?

Do you or your financial professionals have legal or disciplinary history? No, we do not have legal and disciplinary events. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

## Item 5: Additional Information

Questions to ask us: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

For additional information on our advisory services, see our [Brochure](#) available at <https://adviserinfo.sec.gov/firm/summary/286063> and any individual brochure supplement your representative provides. If you have any questions, need additional up-to-date, or want another copy of this Client Relationship Summary, then please contact us at (720) 287-0918.

# **Form ADV Part 3 – Client Relationship Summary**

Date: 03/30/2021

# Form ADV Part 3 – Client Relationship Summary

Date: 03/30/2021

## Exhibit A – Material Changes to Client Relationship Summary

This is the initial version of the Client Relationship Summary. There are no material changes.