

# Form ADV Part 2A Brochure

LexAurum Advisors, LLC

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February 18, 2025

This Brochure provides information about the qualifications and business practices of LexAurum Advisors, LLC (LexAurum). If you have any questions about the contents of this Brochure, please contact us at (913) 261-9316. 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.

LexAurum is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you can determine whether to hire or retain an adviser.

## Item 2 – Material Changes

This Brochure dated February 18, 2025, represents an amendment to the Brochure for LexAurum Advisors, LLC.

Since the filing of the last annual amendment on February 5, 2024, we have made minor updates, but no material changes were made to the Brochure. Some of these minor changes include – minor changes to the terms for rebating fees paid in advance (see Item 4), updating the name of the broker/dealer used by several LexAurum Advisors (see Item 10), adding information about a new custodian (Item 12) and revised disclosures about LexAurum’s associated persons receiving insurance commissions and compensation (see Item 14).

Pursuant to regulatory requirements, we will deliver to you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may further provide other ongoing disclosure information about material changes, as necessary. All such information will be provided to you free of charge.

Currently, our Brochure may be requested by contacting us at (913) 261-9316.

Additional information about LexAurum is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with LexAurum who are registered as investment adviser representatives of the firm.

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## **Item 4 - Advisory Business**

LexAurum Advisors, LLC (CRD # 283653) (LexAurum) is registered as an investment adviser with the Securities Exchange Commission. LexAurum is based in Kansas and is organized as a limited liability company under the laws of the State of Kansas. The firm was formed in 2016 and currently has ten (10) employees working with the principal office.

LexAurum's principal office and place of business is located at 16010 Metcalf Avenue, Suite 101, Overland Park, KS, 66085. Regular business hours are Monday through Friday by appointment. The firm can be contacted by phone at (913) 261-9316 and by fax at (844) 853-0766.

Peter W. Hughes is the firm's majority owner and Chief Executive Officer. Jon M. Stanfield is the firm's Chief Compliance Officer.

### **Services Offered:**

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

LexAurum provides ongoing discretionary and non-discretionary portfolio management services to individuals, families, and businesses. For investment management engagements, accounts may be managed by the client's investment adviser representative, by the firm's Chief Investment Officer, or by sub-advisers or third-party managers to whom investment management responsibility may be delegated.

For accounts managed by the client's investment adviser representative, the firm representative not only makes recommendations related to investments, but also implements these recommendations and provides ongoing monitoring and reporting. Clients may elect to give the firm discretion to make all decisions (discretionary management) or may prefer to approve all decisions before implementation (non-discretionary management).

For an account managed by the firm's Chief Investment Officer, LexAurum provides a standardized managed account service known as the Golden Rule Program (GRP). GRP is a diversified asset-allocation program which offers eight different models, ranging from "Capital Preservation" on one end of the risk spectrum to "Aggressive" on the other. Client accounts are positioned in one of these models based on their investment objective, risk tolerance, time horizon, and other characteristics. GRP accounts are invested primarily in low-cost ETFs, but mutual funds, closed-end

funds or other investment vehicles may be used in certain situations. The Golden Rule Program is managed by Peter Hughes, CFA, President and Chief Investment Officer of LexAurum.

When accounts are managed by a sub-adviser or third-party manager, the sub-adviser or third-party manager is generally responsible for security selection, and LexAurum is responsible for general oversight. Engagements can either be discretionary or non-discretionary in nature.

### ***Investment Advisory Services***

LexAurum also provides ongoing investment advisory services to individuals, families and businesses where the firm makes ongoing investment recommendations, but the client is responsible for determining whether to implement recommendations, and if they decide to do so, are responsible for actual implementation.

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

Additionally, the firm provides project-oriented and ongoing financial planning services to individuals and families where the firm offers advice or other strategic assistance in areas such as education funding, retirement planning, estate planning, risk management, employee benefits planning, tax planning, etc. When engaged to provide financial planning assistance, clients are responsible for determining whether to implement a recommendation, and if they decide to do so, are responsible for actual implementation. The actual details of an engagement vary on a case-by-case basis depending on the complexity of the client's financial situation. Generally, however, an engagement involves identification of goals and objectives, collection and analysis of data, formulation of a strategy, and preparation of a written plan. Engagements may be one-time, annual, or ongoing.

### ***Retirement Plan Services***

LexAurum also provides retirement plan services to businesses which may include plan level services such as discretionary management services, non-discretionary management services, and investment advisory services related to different types of retirement plans. When providing management services, the firm is responsible for implementing recommendations. When the firm is providing advisory services, the client is responsible for the implementation of recommendations.

*Department of Labor Acknowledgement of Fiduciary Duty.* As a registered investment adviser, the firm is required to meet certain fiduciary standards when providing investment advice to clients. Additionally, when the firm provides investment advice related to a retirement plan account or an individual retirement account (IRA) we are considered 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. As such, we are required to act in your best interest and not put our interest ahead of yours, even though our compensation creates some conflicts with your interests in that the more money you have us manage, the more we can earn. In summary, under this special rule 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;
- Adopt and follow policies and procedures designed to ensure that we give advice that is in a client's best interest;
- Charge a reasonable fee for our services; and
- Offer basic information about any conflicts of interest.

***Investment Management Services (Discretionary) Using Pontera***

LexAurum also provides a service for accounts not held in our custody, but where we do have discretionary authority. These are primarily 401(k) accounts, 403(b) accounts, 401(a), Thrift Savings Plan (TSP), HSAs, and other assets held at other custodians. LexAurum will never have direct access to Client log-in credentials. Pontera and LexAurum are not affiliates and LexAurum receives no compensation from Pontera for using its platform. Clients will receive a link allowing them to connect their account(s) to the platform. Once established, LexAurum will review the current allocations. As required, LexAurum will rebalance the account considering the client's investment goals, objectives, risk tolerance, and current economic and market factors.

Clients will pay the specific quarterly fee for services indicated on the written management agreement. A certain percentage of this fee, 25 bps, will be paid to Pontera for the use of its platform. Although this fee is not directly passed along to

the client, its presence may affect LexAurum’s willingness to negotiate its fees, and therefore impact the overall fee to the client.

Regardless of the services provided, each is tailored to the individual needs of a particular client (whether an individual, a family, or a business) through an assessment conducted prior to an engagement. Clients may impose restrictions related to the level of discretion granted, the types of investments used, etc. Terms of an actual engagement, including description of service, limitations and restrictions, fees, etc., are all detailed before any engagement begins in a written client agreement.

The firm does not provide a “wrap fee” program, although sub-advisors or third-party managers recommended by the firm may do so. For information regarding such programs provided by outside managers, please refer to the applicable outside manager’s ADV Part 2 Disclosure Brochure which is available upon request.

As of 12/31/2024, the firm had approximately \$1,006,435,215 in assets under management, \$903,242,550 of which was managed on a discretionary basis and \$103,192,665 was managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

### **Investment Management Services**

Fees charged for discretionary and non-discretionary investment management services may be charged in arrears or in advance and are generally based on total assets under management at a rate negotiated on a case-by-case basis depending on the engagement. The firm’s maximum fee schedule is as follows:

<u>Market Value of Assets Under Management</u>	<u>Annual Fee</u>
Up to \$2,000,000	2.00%
\$2,000,001 - \$5,000,000	1.50%
Assets over \$5,000,000	1.25%

As mentioned in Item 4 above, the firm provides a standardized managed account program (GRP), and in these cases, accounts are assessed a fee by both the firm and the investment adviser representative. The combined GRP fee however will be at or below the firm’s fee schedule reference in the preceding paragraph. For GRP managed accounts, the firm does not retain any fee from the investment adviser representative’s portion of the overall

expense as the firm would for non-GRP accounts. This creates a conflict of interest, as accounts managed by the investment adviser representative, or by a third-party manager, are subject to a lower payout ratio. However, clients are made aware of fee options in advance and are not obligated to use any particular management option.

Fees are generally deducted directly from client accounts on a quarterly basis (when possible), but clients may elect to alternatively pay fees by check, ACH or directly from another client account. For advanced billing, subject to the discretion of the firm, if assets are deposited into an account after the beginning of a billing period, the fee payable with respect to such assets will generally be prorated based on the number of days remaining in the quarter. Conversely, in the event of client partial withdrawals, no fee adjustments will be made.

Services may be terminated at any time by either party with 30 days' written notice to the other party, and fees will be prorated accordingly. Any payments made in advance will then be prorated and refunded to the client, unless the total refund is less than \$5.00 or the account remains under LexAurum management by a successor in interest.

All management fees paid to LexAurum are separate and unrelated to any fees or expenses assessed by mutual funds or exchange traded funds, or to any trade commission charged by an account custodian. Sub-advisory fees and third-party management fees are generally collected by the third-party firm. They remit a portion of the fee to LexAurum. All fee details however are provided in the client agreement and/or other applicable documentation. Information pertaining to fund-generated fees and expenses can be found in mutual fund and exchange traded fund prospectuses.

In instances where clients are referred to a third-party manager, the client will pay the third-party manager for services and LexAurum may receive a referral fee. The receipt of referral fees creates a conflict of interest in that LexAurum and or its representatives may have an incentive to make a referral based on its own financial interests. In these cases, however, the client will receive additional information about the referral arrangement and fees paid in advance and will not be obligated to use the manager's services.

LexAurum fees related to assets managed using Pontera will not be below 0.25%. Fees charged for these services will be based on a flat or tiered percentage of assets under management, usually billed in advance on a quarterly basis and calculated on the fair market value of the account on the last business day of the billing period. Fees will be prorated if opened mid-quarter. Clients will authorize LexAurum to debit the fees directly from one or more of the Client's taxable accounts, on a pro-rata basis. LexAurum will invoice the client directly in the event of insufficient funds in the account(s).

## **Investment Advisory Services**

Fees charged for advisory services may be charged in advance or in arrears depending on the service provided. Fees are quoted in advance, generally range from .50% to 1.50% annually and may be negotiable. Fees are based on a percentage of assets under management, or the actual services provided. Fees may be deducted directly from client accounts and sometimes are billed directly.

Services may be terminated at any time by either party with 30 days' written notice to the other party, and fees will be prorated accordingly. Any payments made in advance will then be prorated and refunded to the client, unless the total refund is less than \$5.00 or the account remains under LexAurum management by a successor in interest.

All advisory fees paid to LexAurum are separate and unrelated to any fees or expenses assessed by any broker, custodian, or other outside party.

## **Financial Planning Services**

Fees charged for financial planning services are quoted in advance and charged at a fixed amount or are based on an estimated number of hours at a fixed hourly rate. Quoted fees will be based on the complexity and level of service provided on a case-by-case basis. As mentioned above, services may include planning in areas such as education funding, retirement planning, estate planning, risk management, employee benefits planning, tax planning, etc. Since each of these areas can vary in complexity depending on the complexity of the client's financial situation, cost will vary as well. Fees are negotiable depending on the circumstances of the engagement, location, etc.

Fees are generally billed directly to the client in advance, although a portion of which may be billed in arrears.

Services may be terminated at any time by either party with 30 days' written notice to the other party, and fees will be prorated accordingly. Any payments made in advance will then be prorated and refunded to the client, unless the total refund is less than \$5.00 or the account remains under LexAurum management by a successor in interest.

All financial planning fees paid to LexAurum are separate and unrelated to any fees or expenses assessed by any broker, custodian, or other outside party.

## **Retirement Plan Services**

Fees charged for retirement plan services may be charged in advance or in arrears depending on the service provided. Fees may be fixed, or asset based (not to exceed 1.50% annually) and are negotiable depending on the complexity of the service. Fee levels (whether fixed or asset based) are primarily based on actual services to be provided.

Fees may be deducted directly from client accounts on a quarterly basis, or clients may elect to alternatively pay fees by check or wire transfer.

Services may be terminated at any time by either party with 30 days' written notice to the other party, and fees will be prorated accordingly. Any payments made in advance will then be prorated and refunded to the client, unless the total refund is less than \$5.00 or the account remains under LexAurum management by a successor in interest.

All retirement plan fees paid to LexAurum are separate and unrelated to any fees or expenses assessed by any broker, custodian, or other outside party.

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

LexAurum does not charge performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client), and consequently does not simultaneously manage performance based and non-performance-based accounts.

### **Item 7 – Types of Clients**

LexAurum provides services to individuals and institutional investors including businesses, retirement plans, foundations, endowments, etc.

For its services, LexAurum does not require a minimum dollar value of assets for establishing or maintaining a client's account, but the firm reserves the right to decline engagements for various reasons including account size.

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

When providing investment management services, investment strategies may be established by LexAurum's Chief Investment Officer, may be established by representatives of LexAurum under the oversight of LexAurum's Chief Investment Officer, or may be established by outside managers to whom management may be delegated.

LexAurum's general investment strategy, whether accounts are managed by the firm's Chief Investment Officer or by the firm's investment adviser representatives, is to attempt to reduce risk and volatility by building diversified portfolios in a manner consistent with the tenets of modern portfolio theory. To implement this strategy, LexAurum and its representatives may use fundamental security methods of analysis, market trend analysis, and economic cycle analysis. While mutual funds, exchange traded funds, stocks and bonds are the primary investment vehicles used in or recommended for client accounts, we may also use or recommend various other investment vehicles in the implementation of our strategies, including long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), margin and options.

For information regarding investment strategies and methods of analysis used by outside managers, please refer to the applicable outside manager's ADV Part 2 Disclosure Brochure, which is available upon request.

Investing in securities involves risk of loss that clients should be prepared to bear. Such risks include market risk, interest rate risk, currency risk, political risk, government regulations, environmental issues, natural disasters and pandemics, and loss of capital, among others. Additionally, certain trading strategies can affect investment performance through increased brokerage and other transaction fees. Each client's propensity for risk, however, is thoroughly evaluated, documented, and considered throughout the portfolio implementation process.

As requested by a client, some portfolios may utilize value-based investments or Environmental, Social and Governance Funds (ESGs). Clients are reminded that ESG fund managers consider ESG factors to varying degrees and not every fund incorporates ESG factors in the same manner or degree which can make it hard to accurately compare funds. There is also no benchmark upon which ESG factors impacting investment performance can be compared. Utilizing ESG funds can adversely impact performance, fund expenses and investment risk. Any ESG recommendations are made solely using information provided by issuers.

Clients seeking exposure to cryptocurrencies, including Bitcoin, are encouraged to use traded securities whenever possible and to invest only in moderation after thorough personal due diligence. Unlike conventional currencies regulated by a monetary authority, cryptocurrencies are unregulated and highly speculative. Clients purchasing these digital assets must be prepared for potential liquidity constraints, extreme price volatility, and the complete loss of principal.

Although LexAurum intends to manage risk through the careful selection of investments, no investment strategy can assure a profit or avoid a loss. For more information about risks associated with any particular investment, please contact LexAurum directly.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of its management. LexAurum is currently not subject to, nor has ever been subject to, any legal or disciplinary events of a material nature.

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

Some associated persons of LexAurum may also be registered representatives of Integrity Alliance LLC (formerly known as Brokers International Financial Services, LLC), a securities broker-dealer regulated by the Financial Industry Regulatory Authority, Inc. (FINRA). As such, these individuals, in their separate capacities as registered representatives, will be able to affect securities transactions and will receive separate customary compensation for affecting any securities transactions. They may also from time to time receive 12b-1 distribution fees from investment companies in connection with the placement of client funds into investment companies. They do not, however, receive these fees for investments placed in accounts which LexAurum manages.

LexAurum may also offer clients advice or recommendations related to insurance products. Some associated persons of LexAurum are licensed insurance agents and may represent various insurance companies. Any insurance product placed through LexAurum or LexAurum associated persons may generate standard and customary insurance commissions and other compensation, a portion of which may be received by LexAurum or associated persons of LexAurum.

While LexAurum will endeavor at all times to put the interest of clients first as part of its fiduciary duty, clients should be aware that the receipt of additional compensation creates a conflict of interest and may affect the judgment of individuals who make recommendations. However, our clients are under no obligation to purchase products recommended by our associated persons or to purchase products through LexAurum or LexAurum associated persons. We believe that our recommendations are in the best interests of our clients and are consistent with our clients' needs.

## **Item 11 - Code of Ethics**

### **Code of Ethics**

LexAurum has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. The LexAurum Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and details practices for reviewing the personal securities transactions of supervised persons with access to client information. The Code also requires compliance with applicable securities laws, addresses insider trading, and details possible disciplinary measures for violations. LexAurum will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer.

### **Trading Conflicts of Interest**

Individuals associated with LexAurum are permitted to buy or sell securities for their personal accounts identical to or different than those recommended to clients. However, no person employed by LexAurum is allowed to favor his or her own interest over that of a client or make personal investment decisions based on the investment decisions of advisory clients.

In order to address potential conflicts of interest, LexAurum requires that associated persons with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. LexAurum also requires prior approval from the Chief Compliance Officer for investing in any IPOs or private placements (limited offerings).

## **Item 12 - Brokerage Practices**

### ***The Custodian and Brokers We Use***

We do not maintain custody of client assets. Instead, we require all client assets be maintained in an account at a non-affiliated "qualified custodian," generally a broker-dealer or bank. The custodian will hold your assets in a brokerage account and will be able to buy and sell securities on your behalf.

While we may recommend that you use a particular custodian/broker, you will ultimately decide whether to do so and will open your account by entering into an account agreement directly with them. We cannot open accounts for you, but we can assist you in opening an account at whatever custodian/broker you decide to use. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab) or SEI Investment Distribution Co. (SEI), both are

registered broker dealers, SIPC members, and qualified custodians. We are independently owned and operated and are not affiliated with Schwab or SEI.

### ***How We Select Custodians and Brokers***

When recommending a custodian or broker for our clients, we consider many different factors including quality of service, types of services offered, overall capability, execution quality, competitiveness of transaction costs, availability of investment research, reputation of the firm, and financial resources, among other things. In determining the reasonableness of a broker's compensation, we consider the overall cost to you relative to the benefits you receive, both directly and indirectly, from the broker.

### **Your Brokerage and Custody Costs**

Our clients receive various services directly from our custodians. For our clients' accounts that they maintain, our custodians generally do not charge separately for custody services but instead are compensated by charging commissions or other fees on trades that they execute or trades that are executed by other brokers to and from custodial accounts. Custodians also receive revenue from money market funds that it makes available to clients as a cash sweep option and for accounts that choose to invest cash in such a money market fund. Fees applicable to our client accounts are sometimes negotiated based on the condition that our clients collectively maintain a certain level of assets at a particular custodian. We feel this commitment benefits you because we expect the overall rates you pay will be lower than they might be otherwise.

Since custodians often charge clients a fee for each trade that we have executed by a different broker-dealer, we have the primary custodian execute most trades in order to minimize your trading costs.

We have determined that having custodians execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means seeking the most favorable terms for a transaction based on all relevant factors, including those listed above.

### **Products and Services Available to Us from Brokers/Custodians**

Our primary custodians provide us and our clients with access to its institutional brokerage services like trading, custody, reporting, and related services, many of which are not typically available to retail customers. Our custodians also make available various support

services, some of which may help us manage or administer our clients' accounts, while others may help us manage and grow our business.

Other institutional brokerage services which benefit you directly include access to a broad range of investment products, execution of securities transactions, and asset custody. The investment products available through our custodians include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

Our custodians also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both from custodians/brokers and from third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at a particular custodian. In addition to investment research, our custodians may also make available software and other technology that provide access to client account data, facilitate trade execution for multiple client accounts, provide pricing and other market data, facilitate payment of our fees from our clients' accounts, and assist with back-office functions, recordkeeping, and client reporting.

Our custodians also offer other services intended to help us manage and further develop our business. These services include educational conferences and events, consulting on technology, compliance, legal, and business needs, publications and conferences on practice management and business succession, and access to employee benefits providers, human capital consultants, and insurance providers.

The availability of these services from our custodians benefits us because we do not have to produce or purchase them. Of course, this may give us an incentive to recommend that you maintain your account with a custodian based on our interests rather than yours, which is a conflict of interest. We believe, however, that our selection of our custodians and brokers is in the best interests of our clients, and is primarily supported by the scope, quality, and price of services provided and not the custodians' services that benefit only us.

### **Aggregation of Transactions**

LexAurum may, from time to time, aggregate client orders into blocks to facilitate more efficient account management and execution. When aggregating orders, an average price is given to all participants in the block, or other measures are taken, to treat all accounts fairly.

## **Item 13 – Review of Accounts**

### **Review of Accounts**

Account holdings are typically reviewed on a continuous basis by the portfolio manager. Accounts are subject to a more general review on a periodic basis (i.e. monthly, quarterly, semi-annually, etc.) depending on the type of account. Account reviews typically involve addressing investment objectives, risk tolerance or asset allocations, but may be more detailed in scope, depending on circumstances. The level of detail of the review is generally triggered by factors such as market, political, or economic conditions, or the client's individual financial situation. Clients should notify the firm of any material personal financial changes.

Information about reviews conducted by outside managers may be found in the outside manager's Form ADV Part 2 Disclosure Brochure, which is available upon request.

### **Regular Reports Provided to Clients**

In addition to the monthly statements and confirmations of transaction that clients receive from the custodian, LexAurum may provide other reports directly to the client from time to time depending on the type of engagement. Investment management clients, for example, may receive periodic performance-related reports. Financial planning clients may receive a planning analysis but do not receive regular reports from LexAurum. LexAurum urges clients to carefully review custodial statements and compare them with the reports which we may provide.

Information about reports provided by outside managers may be found in the outside manager's Form ADV Part 2 Disclosure Brochure, which is available upon request.

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

LexAurum does engage outside parties (promoters) for client referrals, but in doing so, is required to structure such referral arrangements to comply with applicable regulatory requirements, including Rule 206(4)-1 under the Advisors Act (the "Marketing Rule"). For example, the firm is required to provide referred clients with a disclosure statement which provides details, including compensation, related to the referral arrangement, and our Form ADV Part 2 brochure as well. Compensation for these arrangements is typically sharing a percentage of the client advisory fees generated. This sharing will not result in any charges to clients in addition to the normal advisory fees that would have applied.

LexAurum may also utilize testimonials and endorsements. A “testimonial” includes any statement by a current client about the client’s experience with the investment advisor or its supervised persons. An “endorsement” includes any statement by a person other than a current client indicating approval, support, or recommendation of the investment advisor or its supervised persons or describes that person’s experience with the advisor or its supervised persons. These marketing activities create a conflict of interest in that cash or non-cash compensation provided may motivate a person to provide a positive statement about, solicit an investor for, or refer an investor to, LexAurum. Any compensation paid will be prominently disclosed and clients are encouraged to rely only on the public disclosures provided by LexAurum and their own judgement and not the opinion of any third party in deciding whether to engage our services.

LexAurum does not receive any sales award or prizes in connection with providing advisory services to clients. LexAurum does however receive economic benefits from our custodian in the form of the support products and services that are made available to us and to other independent investment advisors. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 above. The availability to us of our custodian’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

LexAurum and its representatives may also qualify for referral fees when referring clients to outside managers. These referral arrangements would be required to be structured to comply with applicable regulatory requirements, including providing clients with a solicitor’s disclosure statement. Acceptance of referral fees creates a conflict of interest because the firm or its representatives may have an incentive to recommend which outside manager to use based on referral fees received. However, when referring clients to an outside manager, the firm will not only disclose the compensation received but will also strive to be cognizant of the client’s best interest at all times. Moreover, the engagement of an outside manager is always at the client’s discretion.

LexAurum may accept discounted or free travel to attend due diligence conferences or to attend or host professional conferences or client meetings. Although this support is not a material source of firm revenue, this represents a conflict of interest as LexAurum may be more likely to recommend securities from firms providing these economic benefits.

LexAurum and the law firm of Rees, Kincaid and Stanfield (RKS) have a common part owner in Jon Stanfield. He is a partner with RKS and a minority member of LexAurum. Clients of LexAurum may be referred to RKS for estate planning and other legal services. The common ownership presents a conflict of interest as one member of LexAurum has an

economic interest in RKS and may benefit from such referrals in lieu of referring clients to other law firms or financial professionals. Although LexAurum and its independent advisors may recommend RKS, you are never obligated or required to use its services. There are other law firms that provide legal services like RKS and may charge lower rates. You are encouraged to consider other law firms before hiring RKS. The legal services provided by RKS are separate and distinct from LexAurum and the two entities do not share revenue with one another but may share certain expenses.

Some of LexAurum's associated persons, that are insurance agents and/or own insurance agencies receive commissions and other incentive awards for the recommendation or sale of insurance products. This compensation may affect the judgment of our associated people when recommending products to our clients. While these insurance agents attempt to put the interest of the clients first as a part of our fiduciary duty, the receipt of commissions and additional compensation creates a conflict of interest and may affect the judgement of insurance agents when making insurance product recommendations.

### **Item 15 – Custody**

As noted in Item 12, LexAurum recommends that clients' assets be held by a qualified custodian. Although we do not maintain actual custody of your assets, we may have limited control (a form of custody under securities regulations) in some instances to trade on your behalf, to deduct our advisory fees from your account with your authorization, or to request disbursements to you or another person's account.

You will receive account statements directly from your custodian at least quarterly, which will be sent to the email or postal mailing address you provide. LexAurum urges clients to carefully review custodial statements and compare them to any account reports that we might provide. You should inform LexAurum and the custodian of any change in contact information.

### **Item 16 – Investment Discretion**

LexAurum will accept discretionary authority to manage securities accounts on behalf of clients, although we will also accept non-discretionary accounts.

When granted authority to manage accounts, LexAurum customarily has the authority to determine which securities and the amounts that are bought or sold or may delegate such authority to outside managers. Any discretionary authority accepted by LexAurum,

however, is subject to the client's risk profile and investment objectives and may be limited by any other limitations provided by the client in writing.

LexAurum will not exercise any discretionary authority until it has been given authority to do so in writing. Such authority is granted in the written agreement between LexAurum and the client, and in the written agreement with the third-party custodian.

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

LexAurum does not vote proxies on behalf of clients.

#### **Item 18 - Financial Information**

Registered investment advisers are required in some cases to provide certain financial information and or disclosures about their financial condition. For example, if the firm requires prepayment of fees for six months in advance, has custody of client funds, or has a condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, it must provide financial information and make disclosures.

LexAurum has no financial or operating conditions which trigger such additional reporting requirements.

# Form ADV Part 2B Brochure Supplement

Edna Kowitz, ChFC, CLU®

LexAurum Advisors, LLC

d/b/a “Kowitz Financial Group”

Branch Office: 10451 Mill Run Circle, Suite 400

Owings Mill, MD 21117

(888) 517-4888

Home Office: 16010 Metcalf Avenue, Suite 101

Overland Park, KS 66085

(913) 261-9316

February 18, 2025

This Brochure Supplement provides information about Edna Kowitz that supplements the LexAurum Advisors, LLC (LexAurum) Brochure which you should have received. Please contact us at (913) 261-9316 if you did not receive the LexAurum Brochure or if you have any questions about it or the contents of this supplement.

Additional information about Ms. Kowitz is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

Edna Kowitz, born in 1961, joined LexAurum in 2017 as an investment advisor representative and office manager. She was previously a registered representative of Summit Brokerage Services and an investment advisor representative of Summit Financial Group during parts of 2016 and 2017. Prior to that, Ms. Kowitz was simultaneously affiliated as a representative of VSR Advisory Services, an SEC registered investment adviser, and VSR Financial Services, Inc., a FINRA member broker dealer, from 2014 through 2016. She was associated with Ceros Financial Services, Inc. from 2011 to 2012. She was associated with Northwestern Mutual Investment Services, LLC from 2000 to 2011 and was an agent for Northwestern Mutual Life from 2000 to 2011.

Ms. Kowitz attended Towson University from 1979 to 1981.

Ms. Kowitz earned a ChFC designation in 2009. The ChFC (Chartered Financial Consultant) designation is granted by the American College. To attain the designation an individual must have 3 years of full-time business experience within the five years preceding the awarding of the designation. They must also complete 9 educational courses and agree to adhere to the ChFC Code of Ethics. In addition, to maintain the right to continue to use the designation, an individual must complete 30 continuing education credits every two years. A Designee who has attained Emeritus status is waived from meeting the continuing education requirements.

Ms. Kowitz earned a CLU® designation in 2006. The CLU® (Chartered Life Underwriter®) is a professional designation granted by The American College. Prerequisites and experience requirements include three years of full-time business experience within the five years preceding the awarding of the designation. Educational requirements include five core and three elective courses. The CLU® designee must complete 30 CE credits every two years.

Ms. Kowitz earned a CDFA® designation in 2013. The CDFA (Certified Divorce Financial Analyst) designation is granted by the Institute for Divorce Financial Analysts. To attain the designation an individual must have at least 2 years' experience in a financial services capacity. They must also complete a four-part examination and agree to adhere to a Code of Ethics. In addition, to maintain the right to continue to use the designation, an individual must complete 20 hours of continuing education every two years.

Ms. Kowitz earned a CLTC designation in 2006. The CLTC (Certified in Long Term Care) designation is granted by the CLTC Board of Standards. To attain the designation an individual must complete a 7-part course and successfully pass a final exam. In addition, to maintain the right to continue to use the designation, an individual must complete an ethics course every two years.

## **Item 3- Disciplinary Information**

Ms. Kowitz is currently not subject to, nor has ever been subject to, any legal or disciplinary events of a material nature.

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

Ms. Kowitz is licensed as an independent insurance agent. She earns commission-based compensation for selling insurance products to clients. Insurance commissions earned by Ms. Kowitz are separate and in addition to advisory fees she earns. Accepting commission-based compensation poses a conflict of interest as it creates an incentive to effect insurance transactions for the purpose of generating compensation however, the client is under no obligation, contractually or otherwise, to purchase insurance products through Ms. Kowitz. Further, based on current fiduciary and suitability standards, Ms. Kowitz is required to make recommendations appropriate to each client's individual needs and objectives.

Ms. Kowitz uses the business name "Kowitz Financial Group" to represent her advisory business conducted through LexAurum and her insurance business conducted through her separate tax entity, Kowitz Financial Group, LLC.

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

Ms. Kowitz may receive compensation from someone other than a client for providing investment advice or other advisory services to clients by referring clients to other investment advisers. As such, there may be potential conflicts of interest with these arrangements, including situations where the compensation paid to the firm or the financial advisor differs based on the particular third-party adviser. Therefore, financial advisors may have an economic incentive to recommend one third party adviser over another. Additionally, certain third-party advisers may provide reimbursements to financial advisors as an offset for marketing and seminar materials for the advisory products and services offered. These situations may also create conflicts of interest that you should carefully consider.

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

Lex-Aurum maintains a supervisory structure designed to reasonably detect and prevent violations of securities laws, rules and regulations. This system includes written supervisory procedures, trained and qualified home office personnel, guidance issued to advisors in a compliance manual, and periodic office compliance inspections. Ms. Kowitz reports to Peter W. Hughes, the CEO of the firm. Mr. Hughes can be reached at (913) 261-9316.

February 18, 2025

Re: Annual Update of Privacy Policy, Form ADV Part 2 Brochure and Form CRS

Dear Client,

As a registered investment advisor, we are required by securities laws to annually furnish you with updated information about our firm, which we detail in our firm's Form ADV Part 2 Brochure disclosure document. Your financial advisor is associated with us.

Since the filing of the firm's last annual update Brochure, we have made minor updates, but no material changes were made to the Brochure.

If you would like a complete copy of our current 2025 Brochure, you may contact me by email or phone, and I will be happy to send you a complete copy free of charge. You may also obtain a copy of the form and other information about our firm from the SEC's Investment Adviser Public Disclosure (IAPD) system at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We have enclosed our firm's privacy policy (see back of this letter) and updated form CRS.

If you have any questions about your accounts, please contact your representative. If you have questions about LexAurum, my contact information is below.

Sincerely,

Peter W. Hughes  
President, LexAurum Advisors, LLC  
[www.lex-aurum.com](http://www.lex-aurum.com)

## **PRIVACY NOTICE**

As required by law, we deliver a Privacy Notice to all of our clients upon establishing a relationship with them and annually thereafter, in order for our clients to understand how we use the information we gather from them.

When performing services for clients, we may collect non-public personal information including:

- Information received from you in conversations and discussions.
- Written information prepared and delivered by you to us.
- Information prepared and delivered by third parties on your behalf.

Although our own outside service providers may have access to your information for normal operational purposes (e.g., offsite electronic file storage, etc.), it is our policy not to disclose any non-public personal information about any client to other outside parties except as may be required or permitted by law, or except as otherwise detailed in this policy.

Disclosures which may be permitted may include the following:

- Instances where a client has authorized us to work with outside service providers such as attorneys, accountants, and other investment advisors.
- Instances where a client has authorized us to disclose information to third parties that assist in processing client transactions or in servicing client accounts.

Clients may opt out from our disclosing information to non-affiliated parties by notifying us by telephone, mail, email or in person.

We take our responsibility to protect the privacy of our clients and their information very seriously. In addition to this privacy policy, we maintain physical, electronic, procedural and other safeguards in order to protect all client information.

If you have any questions about our practices, or more specifically about our privacy policy, please contact us at (913) 261-9316 and we will be happy to give you additional details.

### ***OTHER HELPFUL TIPS REGARDING YOUR ACCOUNTS***

Carefully review your account statements and trade confirmations on a regular basis. Verify the accuracy of all cash balances, securities, trades and fees. Rely only on custodian generated account statements. Contact LexAurum directly with any discrepancies or questions.

Use a unique and complex password for your email and financial accounts. Never click on an unknown link, email attachment, or text message that you were not expecting to receive. Never respond to emails requesting personal information. Use and update your electronic device security software regularly.

LexAurum advisors are prohibited from requesting or accepting loans from clients.

Make sure you fully research and investigate your options before purchasing any cryptocurrency. Don't be fooled by unrealistic predictions of returns or unverified claims made online.

LexAurum will never ask for your password or verification code via telephone or email. Beware of scammers pretending to be from well-known organizations requesting payment via gift cards.