



*Registered Investment Adviser*

**DISCLOSURE BROCHURE  
FOR  
Thornewood Advisors USA, LLC  
4 Thornewood Lane SW  
Lakewood, WA 98498**

Web Address: [www.thornewoodadvisorsusa.com](http://www.thornewoodadvisorsusa.com)

**Item 1 - Brochure**

Date of Brochure: March 20, 2019

This Brochure provides information about the qualifications and business practices of Thornewood Advisors USA, LLC. If you have any questions about the contents of this Brochure, please contact us at 253-582-6505 or [www.thornewoodadvisorsusa.com](http://www.thornewoodadvisorsusa.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.

Thornewood Advisors USA, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Thornewood Advisors USA, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 - Material Changes**

There are no material changes.

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 9<sup>th</sup> 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jonn T. Mason Managing Partner at 253-582-6505 or [jonnm@thornewoodadvisorsusa.com](mailto:jonnm@thornewoodadvisorsusa.com). Our Brochure is also available on our web site [www.thornewoodadvisorsusa.com](http://www.thornewoodadvisorsusa.com), also free of charge.

Additional information about Thornewood Advisors USA, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Thornewood Advisors USA, LLC who are registered, or are required to be registered, as investment adviser representatives of Thornewood Advisors USA, LLC.

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**Brochure Supplement(s)**

There are no supplements.

**Item 4 – Advisory Business**

Applicant charges annual asset management fees based on a percentage of the assets under management. These fees are billed quarterly in advance. Clients having less than \$ 101,000.00 are charged 3% per year. Clients with \$101,000.00 or more under management are charged 1.25% to 1.85% per year.

Hourly or flat fees are charged for education, developing an asset management system, plan and for investment advice as well as any work related to these. Hourly fees are presently billed at \$290.00 hour. Flat fees are used when a client is more comfortable with a flat fee. Flat fees are negotiable.

Risk tolerance is determined by use of an investment objective and risk tolerance questionnaire.

Typically these are used to create or identify existing model asset allocation portfolios that attempt to provide the greatest return without exceeding the clients risk tolerance.

Thornewood Advisors' mission is to bring the very best financial services to its clients. With the client's best interest and this goal in mind Thornewood Advisors' focuses on overall asset management and in areas other than direct asset management. Therefore Thornewood Advisors' refers its clients to among the best asset management firms in the country with which it has formed strategic partnerships. These firms specifically focus on asset management and have long term successful track records.

Jon Thomas Mason, D.O.B. 1947, attended New Mexico State University and Texas Western University. He is a manager of Thornewood Advisor USA', LLC RIA and 1st Financial, LLC a Life & Health insurance agency.

Jon T. Mason is a Life and Health insurance agent and owns an insurance agency; 1st Financial, LLC of the 59% of his time listed, 35% of that is allocated to Life insurance agent activities.

Applicant also provides pension consulting.

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

Applicant charges annual asset management fees based on a percentage of the assets under management. These fees are billed quarterly in advance. Clients having less than \$101,000.00 are charged 3% per year. Clients with \$101,000.00 or more under management are charged 1.25% to 1.85% per year.

Hourly or flat fees are charged for education, developing an asset management system, plan and for investment advice as well as any work related to these. Hourly fees are presently billed at \$290.00 hour. Flat fees are used when a client is more comfortable with a flat fee. All fees are subject to negotiation.

The specific manner in which fees are charged by Thornewood Advisors USA, LLC is established in a client's written agreement with Thornewood Advisors USA, LLC. Thornewood Advisors USA, LLC will generally bill its fees monthly in arrears. Clients may elect to be billed in advance or arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Thornewood Advisors USA, LLC to directly debit fees from client accounts. Management fees shall [or shall not] be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de Minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a

prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

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Thornewood Advisors USA, LLC 's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, 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. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Thornewood Advisors', LLC's fee, and Thornewood Advisors USA, LLC's fee, and Thornewood Advisors USA, LLC's shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Thornewood Advisors USA, LLC's considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Thornewood Advisors USA, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

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### **Item 7- Types Of Clients**

Thornewood Advisors USA, LLC, offers and or provides financial education and consulting on most investments and financial products, such as but limited to zero risk wealth accumulation systems, traditional and nontraditional investments, traditional and nontraditional retirement plans, real estate, real estate development, insurance, mortgages and risk management. Thornewood Advisors USA, LLC, provides pension consulting. Thornewood Advisors USA, LLC offers and or provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

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

“Investing in securities involves risk of loss that clients should be prepared to bear.”

“Savings does not involve market risk.”

Our firm does not have actual or constructive custody of client accounts.

Our firm provides portfolio management services to clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal.

**Capital Preservation (CP) Model 1:** The intent of an investor using this portfolio is to preserve capital by favoring a balanced mix between equity and fixed income asset classes. Because entities we clear through own equity and bond ETFs, and because all of those allocations can go to cash if weakness is encountered, the objective is to capture some or a majority of the average market return over time while achieving a lower risk level than the S&P 500. There are 15 asset classes used, including cash. There are greater allocations to U.S. equities over international developed and emerging markets. There are also small allocations to real estate and commodities.

**Capital Preservation (CP) Model 2:** The intent of an investor using this portfolio is to preserve capital by favoring a balanced mix between equity and fixed income asset classes. Because we own equity and bond ETFs, and because all of those allocations can go to cash if weakness is encountered, the objective is to capture some or a majority of the average market returns over time while achieving a lower risk level than the S&P 500. There are 14 asset classes used, including cash. There are slightly higher allocations to U.S. equities over international developed and emerging markets. There is also a small allocation to real estate.

**Capital Preservation (CP) Model 3:** The intent of an investor using this portfolio is to preserve capital by favoring a balanced mix between equity and fixed income asset classes. Because we own equity and bond ETFs, and because all of those allocations can go to cash if weakness is encountered, the objective is to capture some or a majority of the average market returns over time while achieving a lower risk level than the S&P 500. There are 11 asset classes used, including cash. There are greater allocations to U.S. equities over international developed and emerging markets. There is also a small allocation to real estate.

**Capital Preservation Tactical (CPT) Model:** The intent of an investor using this portfolio is to preserve and grow capital by employing a tactical equity strategy similar to GM1, but that can go partially or 100% to cash based on the same short-term trend indicators employed in all the other CP models. This model demonstrates that risk

can be greatly reduced in an all equity portfolio (no bonds) if a short-term cash signal is employed as part of the strategy. Unlike other CP Models, allocations are not fixed. The strong Styles, Sectors, Global Regions, etc. can be over-weighted (within bounds), and the weak ones can be avoided entirely.

**Growth Model (GM) 1:** The intent of an investor using this portfolio is to provide long-term capital appreciation and allocates 100% to equities, except during longer-term market downturns when it can aggressively raise cash. Because it is a 100% equity portfolio (except when it raises cash), investors are seeking to exceed S&P 500 index returns over any 3-year period. Up to 40% of this model may be allocated to international developed and emerging markets.

**Growth Model (GM) 2:** The intent of an investor using this portfolio is to provide long-term capital appreciation and allocates 100% to equities, except during longer-term market downturns when it can aggressively raise cash. Because it is a 100% equity portfolio (except when it raises cash), investors are seeking to exceed S&P 500 index returns over any 3-year period. Up to 60% of this model may be allocated to international developed and emerging markets.

**Growth Model (GM) 3:** The intent of an investor using this portfolio is to provide long-term capital appreciation and allocates 100% to equities, except during longer-term market downturns when it can aggressively raise cash. Because it is a 100% equity portfolio (except when it raises cash), investors are seeking to exceed S&P 500 index returns over any 3-year period. Up to 100% of this model may be allocated to international developed and emerging markets.

We manage these advisory accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Through personal discussions with the client in which our risk tolerance questionnaire is completed, the client's goals and objectives are established and we determine if the model portfolio is suitable to the client's circumstances. Once we determine the suitability of the portfolio, the portfolio is managed based on the portfolio's goal, rather than on each client's individual needs. Clients, nevertheless, have the opportunity to place reasonable restrictions on the types of investments to be held in their account. Clients retain individual ownership of all securities. Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- ☐ Exchange-listed securities
- ☐ Securities traded over-the-counter
- ☐ Warrants
- ☐ Corporate debt securities (other than commercial paper)

- ☐ Commercial paper
- ☐ Certificates of deposit
- ☐ Municipal securities
- ☐ Mutual fund shares
- ☐ United States governmental securities
- ☐ Options contracts on securities

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

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. send quarterly written reminders to each Model Portfolio Management Services client requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and 4. maintain client suitability information in each client's file.

## **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 your evaluation of Thornewood Advisors USA I, LLC, or the integrity of Thornewood Advisors', LLC's management. Thornewood Advisors USA, LLC, has no information applicable to this Item.

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

Jon T Mason; the managing partner for Thornewood Advisors USA, LLC, is actively engaged in a business other than giving investment advice. Jon T. Mason is also the managing partner of 1<sup>st</sup> Financial USA, LLC; a life and health insurance agency and also the managing partner of Dominion Investment Group, LLC; a private investment company.

Solicitor Arrangements



Thornewood Advisors USA, LLC acts as a solicitor for other investment advisers. In that capacity it will receive a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Therefore, Thornewood Advisors USA, LLC has a conflict of interest in that it will recommend particular investment advisers or money managers which agree to compensate our Firm for referrals of our clients. Compensation arrangement will vary with each solicitor arrangement. If the Client is introduced to another investment adviser or money manager by Thornewood Advisors USA, LLC, at the time of the solicitation, Thornewood Advisors USA, LLC shall disclose the nature of the solicitor relationship, and shall provide each prospective client with a copy of Brookstone Capital Management's (BCM) written disclosure statement as set forth in Brookstone Capital Management's (BCM) Form ADV, together with a copy of the written disclosure statement from Thornewood Advisors USA, LLC to the client disclosing the terms and conditions of the arrangement between Thornewood Advisors USA, LLC as the solicitor, and the selected investment adviser or money manager including the compensation to be received by Thornewood Advisors USA, LLC as the solicitor. As the solicitor, Thornewood Advisors USA, LLC will disclose the nature of the relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of the investment adviser's written disclosure statement as set forth in the Form ADV.

## **Item 11 – Code Of Ethics**

Thornewood Advisors USA, LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Thornewood Advisors USA, LLC must acknowledge the terms of the Code of Ethics annually, or as amended.

Thornewood Advisors USA, LLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Thornewood Advisors USA, LLC has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Thornewood Advisors USA, LLC its affiliates and/or clients, directly or indirectly, have a position of interest. Lincoln Financial, LLC's employees and persons associated with Thornewood Advisors, LLC are required to follow Thornewood Advisors USA, LLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Thornewood Advisors USA, LLC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Thornewood Advisors USA, LLC's clients. The

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

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Thornewood Advisors USA, LLC's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Thornewood Advisors USA, LLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with ["ADVISER"]'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. ["ADVISER"] will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Thornewood Advisors USA, LLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jonn T. Mason.

It is Thornewood Advisors USA, LLC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Thornewood Advisors USA, LLC will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser,

acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

## **Item 13 – Review of Accounts**

All accounts are reviewed by Jonn T. Mason, managing partner. Thornewood Advisors USA, LLC offers to conduct free annual account reviews for all accounts.

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

Thornewood Advisors USA, LLC does not compensate anyone for referrals. Thornewood Advisors USA, LLC may refer a client to a business whom also may be a client however this is done on Thornewood Advisors USA, LLC's opinion of the merits of the business and Thornewood Advisors USA, LLC would refer them or not refer them whether or not they were a client.

Thornewood Advisors USA receives compensations from Brookstone Capital Management as shown below in the solicitors' compensation agreement.

According to an agreement between the Thornewood Advisors USA, LLC and BCM, BCM will pay to Thornewood Advisors USA both initial and ongoing compensation. BCM will pay Thornewood Advisors USA up to an annual rate of 1.55% of assets under management that will be deducted monthly in arrears from the client's account as described in the BCM Wrap-Fee Brochure (see Fee Schedule below). The exact Thornewood Advisors USA, LLC fee charged to client will be specified the BCM Investment Management Agreement Fee Schedules section. The compensation paid to Thornewood Advisors USA, LLC by BCM is for the solicitation services and for referring client to BCM and covers any expenses associated with these efforts. Thornewood Advisors USA, LLC services also include periodic contacts about investment performance, reviews, or other information as may be requested or required to assist in understanding BCM's services or establishing an advisory relationship or providing/updating client information on behalf of BCM. BCM may provide additional

compensation to the Thornewood Advisors USA, LLC and/or marketing representatives that are independently contracted by BCM for marketing, client servicing, or related services. These payments will not increase the fees associated to client's accounts. The compensation for these services is paid to Thornewood Advisors USA by BCM from the wrap-fees earned. The wrap-fees are detailed in the BCMs Wrap-Fee Brochure. Therefore, Client's advisory fees paid to BCM are all inclusive of the fees paid to Thornewood Advisors USA. Asset management fees will not be increased above and beyond the total wrap fees charged by BCM. Signing the BCM account application constitutes a receipt of the appropriate brochure and this Solicitor's Disclosure Document. This will confirm for the SEC that you have received this information and are informed about the solicitor fee arrangement between BCM and Thornewood Advisors USA, LLC.

## Exhibit A

### Financial Professional Fee Payout Options

(Capitalized Terms used and not otherwise defined in this Exhibit shall have the same respective meaning given to such terms in the Soliciting/Selling Agreement)

#### The Financial Professional Fee

BCM agrees to pay Financial Professional a fee (the "Fee") for each Introduced Client that becomes a Client in BCM's Platform for which the Financial Professional was the procuring cause. The term "procuring cause" shall mean efforts in the aggregate to (i) identify or source the client, (ii) introduce the client to DCM, and (iii) complete the transaction pursuant to the terms and conditions outlined in the Soliciting/Selling Agreement. The Fee shall be based on the investment strategy utilized, and the amount of assets in an Introduced Client's Platform Account, as indicated below. Further, such fees are subject to any conditions or terms the Financial Professional may make with an individual client, and that is memorialized in the Client Agreement. The amount of the Fee and corresponding Client billing for initial and subsequent investments shall be consistent with specifications at the time of the establishment of the Client's Platform Account.

#### **FEE SCHEDULE 1**

*This Fee Schedule is for the following portfolios (breakpoints are per account):*

BCM MLCDs BCM Municipal Bond Model BCM Structured Notes Donoghue Power Dividend	Donoghue Power Income Fund Newfound Global Sectors Fund Newfound MAI Fund Swan Defined Risk Fund	RAISE 300 Select Portfolios BlackRock Strategic ETF Models Individually Customized Portfolios		
	Up to \$500,000	Next \$500,000	Next \$1MM	Next \$3MM
Brookstone Annual Fee	0.50%	0.45%	0.40%	0.35%
Advisor Annual Fee	1.00%	0.90%	0.75%	0.30%
Total Annual Fee	1.50%	1.35%	1.15%	0.85%

#### **FEE SCHEDULE 2**

*This Fee Schedule is for the following portfolios (breakpoints are per account):*

Altrius Income Portfolio BCM Energy Income Braver Tactical Income Canterbury Portfolio Thermostat CMG Opportunistic All Asset ETF Donoghue Power Dividend Donoghue Power Dividend Mid Cap	Horizon Christian Values Horizon Socially Responsible Kaizen Dynamic Credit Spreads MarketGrader 100 Enh Index Morningstar Dividend Select Morningstar Hare Select	Morningstar Tortoise Select Newfound Global Sectors Newfound Multi-Asset Income SMARTOption Classic SMARTOption Select TwoFish Put Income*	
	Up to \$500,000	Next \$500,000	Next \$1MM
Brookstone Annual Fee	0.95%	0.85%	0.75%
Advisor Annual Fee	1.00%	0.90%	0.75%
Total Annual Fee	1.95%	1.75%	1.50%

The Kaizen Dynamic Credit Spreads and MarketGrader 100 Enhanced Index Portfolio strategies are managed by Kaizen Advisory, LLC, an affiliated firm.

### FEE SCHEDULE 3

*This Fee Schedule is for the following portfolios (breakpoints are per account):*

Altrius Enhanced Income Fund  
Kaizen HPS Fund  
MarketGrader 100 EI Fund

	Fee
Advisor Annual Fee	1.00%

The Kaizen Hedged Premium Spreads Fund is an affiliated mutual fund with a separate internal expense ratio no greater than 1.85%

The Altrius Enhanced Income Fund and the MarketGrader 100 Enhanced Index Fund (managed by Kaizen) are affiliated mutual funds with separate internal expense ratios no greater than 1.50%

**\*The TwoFish Put Income Strategy is an options overlay strategy, which means that it uses existing holdings as margin collateral to purchase uncovered put options. If the strategy is overlaid on an account not otherwise being managed by BCM, the fee follows Schedule 2. However, if the strategy is overlaid on an existing Brookstone managed strategy, you will pay according to the fee schedule for the existing strategy plus an additional 0.3% annually. The maximum fee charged would be 2.25% annually for both combined strategies.**

#### TwoFish Put Income\*

<u>BCM STRATEGIES</u>	<u>FEE</u>
Brookstone Annual Fee	0.30%
Advisor Annual Fee	0.00%
Total Annual Fee	0.30%

## Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Thornewood Advisors USA, LLC does not take custody of client funds. Thornewood Advisors USA, LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## Item 16 – Investment Discretion

Thornewood Advisors USA, LLC does not accept nor receive discretionary authority from the client to select the identity and amount of securities to be bought or sold. In all cases, Thornewood Advisors USA, LLC takes direction from the client and only



places the client's money as directed. Thornewood Advisors USA, LLC may provide advice to clients regarding the securities clients' purchase and the amount they purchase.

When selecting securities and determining amounts, Thornewood Advisors USA, LLC observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Thornewood Advisors USA, LLC's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Thornewood Advisors USA, LLC in writing.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Thornewood Advisors USA, LLC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Thornewood Advisors USA, LLC may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 –Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Thornewood Advisors USA, LLC's financial condition. Thornewood Advisors USA, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State – registered Advisors**

Jon T. Mason, President and Founder of Thornewood Advisors USA, LLC. He continues to serve as the managing partner ever since company start-up in 1969. Today he remains active in guiding the company in the financial strategies, asset management and financial planning models he pioneered. In addition, Jonn has founded and manages a second firm, 1<sup>st</sup> Financial. Throughout the past 45 years, he has helped clients make wise money decisions in hard times and good times. He personally participates in the same planning strategies he recommends, which reinforces his credibility with clients.

Jonn's firm; Thornewood Advisors USA is a Registered Investment Advisor and Jonn is a Fiduciary Advisor with clients in almost every state. He has consulted on and managed a combined dollar amount of nearly two billion dollars. His primary focus is on problem-solving for small to medium size businesses as well as self-employed professionals with emphasis on tax reduction, problem-solving, business succession planning, retirement plans (qualified and non-qualified), asset management, estate planning, life insurance, disability insurance, disability business overhead insurance, and philanthropic development for non-profits. Jonn also works with individuals and seniors. He has completed all the government required Medicare & Medicaid for certifications and re-certifies every year. He has a team of certified Social Security experts and regularly teaches Social Security optimization class. Jonn is also the WA State chapter president for SOFA a national nonprofit providing no cost financial education to corporations, unions, groups and associations across America for 30 plus years.

Jonn's long career in the financial services industry began while he attended junior high school with after school and summer employment in the Operations Department of the second largest bank in Washington, The National Bank of Commerce, Marine Ban Corporation which later became Rainier Bank and is now part of Bank of America. When he started high school, he began working in the trust department. During college, he became a district manager with the McArthur Insurance Group Flagship Company, Bankers Life. Later Jonn held the position of Marketing Vice President first with Rainier National Life, and later with Equity Educators Life both of whom have been absorbed through multiple mergers and acquisitions. During those years and throughout his career up to and including the present, Jonn was and is privileged to be part of the design team for advanced financial planning strategies. As is common in the fields of law, medicine, accounting and others Jonn has a network or team of specialists; experts in virtually every financial area, because it is not possible for one person to be an expert on everything.

Jonn left the corporate world to start his own financial planning, securities investments and insurance firm. During this period, Jonn was involved in creating and marketing hybrid life insurance products that revolutionized the life insurance industry and are now known as "Universal Life" and "Variable Life". In 1976, with the support of the Security Benefit Group in Topeka, Kansas, Jonn authored two books: one on business applications for Life Insurance, and the other on disability insurance which was later adapted as a training manual.

Jonn qualified for and holds a Washington State Insurance Agent License with corresponding nonresident licenses in several other states. In 1976, he became a stock broker and has qualified for and held NASD Series #1, which is now divided into a series 7 and several other series as well as a series #6, #63, #65 and #24 Licenses. Jonn went on to specialize in tax shelter work for wealthy and high income



clients active in oil and gas exploration, cattle feeding/breeding, motion pictures and triple net lease back programs for Penney's and Safeway.

During the late 1970s, Jonn also began independently doing real estate development, property management, private placements and syndications, and held Washington State General Contractor license, a real estate agent and broker licenses which he still holds. He was active in developing, managing and selling commercial real estate. In 1993, he left the retail side of the securities industry, became a Registered Investment Advisor and began doing institutional asset management along with financial strategizing.

John was selected to teach financial classes for Boeing's management, engineers and technicians for 15 years plus, until they moved their headquarters to Chicago. Jonn has also taught financial classes for professional associations, at colleges and other schools and for nonprofits. He still teaches classes for various corporations and organizations as well as for SOFA, (Society For Financial Awareness) a national nonprofit.

Jonn has received numerous industry awards and has strategic alliances with most of the world's largest financial institutions. He conducts educational seminars for corporations and professional groups, teaches at local colleges and has been approved by the Washington State Board of Accountancy to teach continuing education classes for CPAs.

Jonn has 48 plus years' experience covering a broad spectrum of the financial services industry. He now brings all this experience to bear on finding the best solutions and strategies to accomplish client's objectives, utilizing not only his own expertise but also the expertise and resources of the top tier business schools, tax, legal and investment talent available nationally.

Jonn believes in quality over quantity. His firm is a boutique practice rather than a mill producing the most volume possible. He only works on one to three cases at a time, so there is sometimes a queue for his services, but his single minded focus on providing the best has consistently rewarded his clients.