

# Highlands Wealth Advisors, LLC

## Form ADV Part 2A - Disclosure Brochure

**Effective: February 26, 2014**

This Brochure provides information about the qualifications and business practices of Highlands Wealth Advisors, LLC ("HWA"). If you have any questions about the contents of this Brochure, please contact us at (858) 794-1454 or by email at [info@highlandswalthadvisors.com](mailto:info@highlandswalthadvisors.com).

HWA is a registered investment adviser registered with the State of California, Department of Corporations - Securities Division. The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an Investment Adviser does not imply any specific 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 HWA and its advisory persons are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2 - Material Changes

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Form ADV 2 is divided into two parts: *Part 2A* and *Part 2B*. *Part 2A* (the “Disclosure Brochure”) provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. *Part 2B* (the “Brochure Supplement”) provides information about advisory personnel of HWA.

HWA believes that communication and transparency are the foundation of its relationship and continually strive to provide our Clients with the complete and accurate information at all times. HWA encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

There have been no material changes to our Disclosure Brochure and Brochure Supplement.

### Future Changes

From time to time, we may amend this Firm Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Firm Brochure or this summary of Material Changes shall be provided to each Client annually or if a material change is made.

At any time, you may view the current Firm Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. Select the option for Firm and enter **156428** (*our firm’s CRD number*) into the search field labeled “Firm Name or CRD# or SEC#” and click “Start Search”. ADV Part 1 will be displayed. On the left navigation, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Firm Brochure at any time, by contacting us at [info@highlandwealthadvisors.com](mailto:info@highlandwealthadvisors.com) or at (858) 794-1454.

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## Item 4 - Advisory Services

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### **A. Firm Information**

Highlands Wealth Advisors, LLC ("HWA" or the "Advisor") is a registered investment advisor with the State of California, Department of Corporations - Securities Division ("California"), which is organized as a limited liability company under the laws of the State of California. HWA was founded in January 2011 and is owned by Peter R. Gordon, Founding Principal and Portfolio Manager. Details regarding the Advisor and Mr. Gordon are contained in this Brochure.

### **B. Advisory Services Offered**

HWA offers investment advisory services to individuals and high net worth individuals in California and other states (each referred to as a "Client"). This Brochure provides Clients with information regarding HWA and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of HWA.

#### Investment Management Services

HWA provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and consulting services. HWA works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio allocation. HWA will then construct a portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds ("ETFs") to achieve the Client's investment goals. The Advisor may also utilize individual stocks and bonds to meet the needs of its Clients.

HWA's investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. HWA will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to the acceptance by the Advisor.

HWA evaluates and selects ETFs and mutual funds for inclusion in Client portfolios only after applying their internal due diligence process. HWA may recommend, on occasion, redistributing investment allocations to diversify the portfolio. HWA may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio. HWA may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

**Prior to rendering investment advisory services, HWA will ascertain, in conjunction with the Client, the Client's financial situation, risk tolerance, and investment objective[s].** HWA will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will HWA accept or maintain custody of a Client's funds or securities, except for authorized deduction of the Advisor's fees. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

#### Financial Planning and Consulting Services

HWA will typically provide a variety of financial planning services to individuals and families, pursuant to a written Financial Planning or Consulting Agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the Client's financial goals and objectives. This planning or consulting may Financial Planning and Consulting Services - continued

encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client begin or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. HWA may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect the transaction through the Advisor.

### C. Client Account Management

Prior to engaging HWA to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – HWA, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.
- Asset Allocation – HWA will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – HWA will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – HWA will provide investment management and ongoing oversight of the Client's portfolio and overall account.

### D. Wrap Fee Programs

HWA does not place Client assets into a wrap fee program. Investment management services are provided directly by HWA.

### E. Assets Under Management

As of December 31, 2013, HWA manages the following assets:

Assets Under Management	Assets
Discretionary Assets	\$16,299,361
Non-Discretionary Assets	\$87,398
<b>Total</b>	<b>\$16,386,759</b>

Clients may request more current information at any time by contacting the Advisor.

## Item 5 - Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of HWA and the Client.

### A. Fees for Advisory Services

#### Investment Management Services

Investment Advisory Fees are paid quarterly in arrears pursuant to the terms of the Investment Advisory Agreement. Investment Advisory Fees are based on the market value of assets under management at the end of each calendar quarter. Investment Advisory Fees range from 1.50% to 0.50% based on the following schedule:

Assets Under Management	Annual Rate
Up to \$750,000	1.50%
Next \$750,000	1.25%
Next \$1,000,000	1.00%
Next \$2,500,000	0.85%
Over \$5,000,000	0.50%

Investment Advisory Fees in the first quarter of service are prorated to the inception date of the account to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into account the aggregate assets under management with Advisor. All securities held in accounts managed by HWA will be independently valued by the Custodian. HWA will not have the authority or responsibility to value portfolio securities. Pursuant to CCR Section 260.238(j), HWA hereby discloses that Clients may receive the same or comparable services from other Financial Advisors at a lower fee.

#### Financial Planning and Consulting Services

HWA offers financial planning or consulting services on an hourly basis ranging from \$250 to \$500 per hour, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined prior to establishing the advisory relationship.

The Advisor's fee is exclusive of, and in addition to, brokerage commissions, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

### B. Fee Billing

#### Investment Management Services

Investment Advisory Fees will be automatically deducted from the Client Account by the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with HWA at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting HWA to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian.

#### Financial Planning and Consulting Services

As noted above, financial planning and consulting fee are invoiced by the Advisor and are due upon receipt.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third-parties, other than HWA, in connection with investment made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by HWA is separate and distinct from these custodian and execution fees.

In addition, all fees paid to HWA for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of HWA, but would not receive the services provided by HWA which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial condition and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by HWA to fully understand the total fees to be paid.

### **D. Advance Payment of Fees and Termination**

#### Investment Management Services

HWA is compensated for its services at the end of the quarter after investment advisory services are rendered. Clients may request to terminate their Investment Advisory Agreement with HWA, in whole or in part, by providing advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination. The Client's Investment Advisory Agreement with the Advisor is non-transferable without the Client's written approval.

#### Financial Planning and Consulting Services

In the event that a Client should wish to cancel the financial planning agreement under which any plan is being created, the Client shall be billed for actual hours logged on the planning project times the agreed-upon hourly rate. Any surplus in the Advisor's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the Client within 5 business days of cancellation.

Either party may terminate a planning or consulting agreement at any time by providing written notice to the other party within five (5) days of signing the Advisor's financial planning or consulting agreement. The Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Refunds will be given on a pro-rata basis.

### **E. Compensation for Sales of Securities**

HWA does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

## **Item 6 - Performance-Based Fees**

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HWA does not charge performance-based fees for its investment advisory services. The fees charged by HWA are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

HWA does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## Item 7 - Types of Clients

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HWA provides investment advisory services to individuals and high net worth individuals in California and other states. HWA generally does not impose a minimum account size for establishing a relationship.

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

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### A. Methods of Analysis

HWA primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from HWA is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, HWA generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. HWA will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, HWA may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### B. Risk of Loss

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. HWA will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

HWA generally employs investment strategies that do not involve any significant or unusual risk other than domestic equity and international market risks. The Advisor will work with each Client to determine their tolerance for risk as part of the asset allocation and portfolio construction process. For more information on our investment management services, please contact us at [info@highlandswalthadvisors.com](mailto:info@highlandswalthadvisors.com) or at (858) 794-1454.

## Item 9 - Disciplinary Information

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**There are no legal, regulatory or disciplinary events involving HWA or any of its employees.** HWA and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. To review the firm information contained in ADV Part 1, select the option for "Investment Adviser Search" then selecting "Firm" and enter 156428 in the field labeled "Firm Name or CRD# or SEC#". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions. You may also research the background of Mr. Gordon by selecting the option for "Investment Adviser Search" and then selecting "Individual" and entering Mr. Gordon's Individual CRD# **5610258** in the field labeled "Individual Name or CRD#".

## Item 10 - Other Financial Activities and Affiliations

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The sole business of HWA and Mr. Gordon is to provide investment advisory services to its Clients. Neither HWA nor its advisory personnel are involved in other business endeavors. HWA does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts.

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

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### A. Code of Ethics

HWA has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with HWA. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. HWA and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of HWA associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at [info@highlandswalthadvisors.com](mailto:info@highlandswalthadvisors.com) or at (858) 794-1454.

### B. Personal Trading and Conflicts of Interest

HWA allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. **At no time, will HWA or any associated person of HWA, transact in any security to the detriment of any Client. Notice for California residents.** Highlands represents that all material conflicts of interest that could affect the judgment or ability to provide unbiased advice by the Advisor or its IARs pursuant to CCR Section 260.238(k) have been disclosed.

## Item 12 - Brokerage Practices

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### A. Recommendation of Custodian[s]

HWA does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services or the administrator for defined contribution accounts. The Client will select the broker-dealer or custodian (herein the "custodian") to safeguard Client assets and authorize HWA to direct trades to this custodian as agreed in the Investment Advisory Agreement. Further, HWA does not have the discretionary authority to negotiate commissions on behalf of our Clients on a trade-by-trade basis.

Where HWA does not exercise discretion over the selection of the custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended custodian and will not incur any extra fee or cost associated with using a broker not recommended by HWA. HWA may recommend a custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the custodian's offices. HWA does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

Following are additional details regarding the brokerage practices of the Advisor:

- 1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **HWA does not participate in soft dollar programs sponsored or offered by any broker-dealer.**

2. **Brokerage Referrals** - HWA does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

3. **Directed Brokerage** - All Clients are serviced on a “directed brokerage basis”, where HWA will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor’s own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client’s account[s]). In selecting the custodian, HWA will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

#### **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. HWA will execute its transactions through an unaffiliated broker-dealer selected by the Client. HWA may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

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

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#### **A. Frequency of Reviews**

Accounts are monitored on a regular and continuous basis by Mr. Gordon, Founding Principal and Portfolio Manager of the Advisor. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

#### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client’s request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client’s financial situation, and/or large deposits or withdrawals in the Client’s account. The Client is encouraged to notify HWA if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

#### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian’s website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client’s account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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#### **A. Compensation Received by HWA**

HWA is a Fee-Only advisor, who, in all circumstances, is compensated solely by the Client. HWA does not receive commissions or other compensation from product sponsors, broker dealers or any un-related third party. HWA may refer Clients to various third-parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, HWA may receive referrals of new Clients from a third-party.

## **B. Client Referrals from Solicitors**

HWA pays a fee to WiserAdvisor.com to receive web referrals, which are based on the geographical location of a prospective client. The fee paid is based on the number of referrals that are made each month, which may fluctuate from month to month. When looking for an advisor, the prospective client would go to the WiserAdvisor.com site, fill out a short form identifying their financial needs and their contact information. WiserAdvisor.com will then send the prospective client a list of 4 advisors in their geographical area that meet the prospective client's criteria. HWA does not charge clients that are referred through WiserAdvisor.com a higher fee than would be charged if they came direct to HWA.

## **Item 15 - Custody**

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HWA does not accept or maintain custody of any Client accounts. All Clients must place their assets in a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct HWA to utilize that custodian for the Client's security transactions. For more information about custodians and brokerage practices, see "Item 12. Brokerage Practices."

## **Item 16 - Investment Discretion**

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HWA generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by HWA. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by HWA will be in accordance with each Client's investment objectives and goals.

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

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HWA does not accept proxy-voting responsibility for any Client.

## **Item 18 - Financial Information**

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Neither HWA, nor its management, have any adverse financial situations that would reasonably impair the ability of HWA to meet all obligations to its Clients. Neither HWA, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. HWA is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$500 for services to be performed six months or more in advance.

## **Item 19 - Requirements for State Registered Advisors**

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The Founding Principal of Highlands Wealth Advisors, LLC is Peter R. Gordon. Peter, born in 1978, is a dedicated Portfolio Manager for Client accounts of HWA.

Peter earned his Master's of Business Administration (MBA) from The Wharton School at the University of Pennsylvania in 2008. Peter also earned a Bachelor of Arts from the University of Pennsylvania in 2000. Upon completion of his MBA at Wharton, Peter served as a Portfolio Manager at Dowling & Yahnke, LLC in San Diego, CA.

Additional information regarding Peter's employment history is included below.

**Employment History:**

Founding Principal and Portfolio Manager, Highlands Wealth Advisors, LLC	01/2011 to Present
Portfolio Manager, Dowling & Yahnke, LLC	08/2008 to 01/2011
MBA Student, The Wharton School at the University of Pennsylvania	08/2006 to 05/2008
Human Resources Administrator, The Boston Phoenix	01/2006 to 06/2006
Co-Founder / Manager of Research and Operations, Seedling Group, Inc.	05/2000 to 12/2005

**B. Other Business Activities of Principal Officer**

Mr. Gordon is a dedicated to the investment advisory activities of HWA's Clients. Mr. Gordon does not have any other business activities.

**C. Performance Fee Calculations**

HWA does not charge performance-based fees for its investment advisory services. The fees charged by HWA are as described in Item 5 – Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

**D. Disciplinary Information**

*There are no legal, civil or disciplinary events to disclose regarding HWA or Mr. Gordon.* Neither HWA nor Mr. Gordon has ever been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against HWA or Mr. Gordon.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding HWA or Mr. Gordon.*

However, we do encourage you to independently view the background of Mr. Gordon on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. Select Investment Adviser Search from the left navigation menu. Then select the option for Investment Adviser Representative and enter **5610258** in the field labeled "Individual CRD Number:"

**E. Material Relationships with Issuers of Securities**

Neither HWA nor Mr. Gordon has any relationships or arrangements with issuers of securities.

## **Form ADV Part 2B – Individual Disclosure Brochure**

**for**

**Peter R. Gordon  
Founding Principal and Portfolio Manager**

**Effective: February 26, 2014**

This Brochure Supplement provides information about the background and qualifications of Peter R. Gordon (CRD# 5610258) in addition to the information contained in the Highlands Wealth Advisors, LLC (“HWA” or the “Advisor” CRD #156428) Disclosure Brochure. If you have not received a copy of this Brochure Supplement or if you have any questions about the contents of this Brochure Supplement or HWA’s Disclosure Brochure, please contact us at (858) 794-1454 or by email at [pgordon@highlandswalthadvisors.com](mailto:pgordon@highlandswalthadvisors.com).

Additional information about Peter R. Gordon is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Educational Background and Business Experience

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The Founding Principal and Portfolio Manager of Highlands Wealth Advisors, LLC. is Peter R. Gordon. Peter R. Gordon, born in 1978, is dedicated to serving the Clients of Highlands Wealth Advisors, LLC. Mr. Gordon earned a Master's of Business Administration from The Wharton School at the University of Pennsylvania in 2008. Mr. Gordon also earned a Bachelor of Arts from University of Pennsylvania in 2000. Additional information regarding Mr. Gordon's employment history is included below.

### Employment History:

Founding Principal and Portfolio Manager, Highlands Wealth Advisors, LLC	1/2011 to Present
Portfolio Manager, Dowling & Yahnke, LLC	08/2008 to 01/2011
MBA Student, The Wharton School at the University of Pennsylvania	08/2006 to 05/2008
Human resources Administrator, The Boston Phoenix	01/2006 to 06/2006
Co-Founder/Manager of Research and Operations, Seeding Group, Inc.	05/2000 to 12/2005

## Item 3 – Disciplinary Information

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*There are no legal, civil or disciplinary events to disclose regarding Mr. Gordon.* Mr. Gordon has never been involved in any regulatory, civil or criminal action. There have been no Client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Gordon.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and /or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Gordon.* However, we do encourage you to independently view the background of Mr. Gordon on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select "Investment Adviser Search" from the left navigation menu. Then select the option for "Individual" and enter 5610258 in the field labeled "Individual Name or CRD# Number".

## Item 4 – Other Business Activities

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Mr. Gordon is dedicated to the investment advisory activities of HWA's Clients. Mr. Gordon does not have any other business activities.

## Item 5 – Additional Compensation

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Mr. Gordon is dedicated to the investment advisory activities of HWA's Clients. Mr. Gordon does not receive any additional forms of compensation.

## Item 6 – Supervision

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Mr. Gordon serves as the Founding Principal and Portfolio Manager and Chief Compliance Officer of HWA. Mr. Gordon can be reached at (858) 794-1454.

HWA has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of HWA. Further, HWA is subject to regulatory oversight by various agencies. These agencies require registration by HWA and its employees. As a registered entity, HWA is subject to examinations by regulators, which may be announced or unannounced. HWA is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Item 7 – Requirements for State Registered Advisors

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Mr. Gordon does not have any additional information to disclose.

## Privacy Policy

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Effective: February 26, 2014

### Our Commitment to You

Highlands Wealth Advisors, LLC ("HWA") is committed to safeguarding the use of your personal information that we have as your Investment Advisor. HWA (referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and make efforts to ensure that such information is used for proper business purposes in connection with the management or servicing of your account. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

We do not sell your non-public personal information to anyone. Nor does HWA provide such information to others except for discrete and proper business purposes in connection with the servicing and management of your account as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this privacy policy.

### The Information We Collect About You

You typically provide personal information when you complete the paperwork required to become our Client. This information may include your:

• Name and address	• Assets
• E-mail address	• Income
• Phone number	• Account balance
• Social security or taxpayer identification number	• Investment activity
	• Accounts at other institutions

In addition, we may collect non-public information about you from the following sources:

- Information we receive on Brokerage Agreements, Managed Account Agreements and other Subscription and Account Opening Documents;
- Information we receive in the course of establishing a customer relationship including, but not limited to, applications, forms, and questionnaires;
- Information about your transactions with us or others

### Information About You That HWA Shares

HWA works to provide products and services that benefit our customers. We may share non-public personal information with non-affiliated third parties (such as brokers and custodians) as necessary for us to provide agreed services and products to you consistent with applicable law. We may also disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account. In addition, your non-public personal information may also be disclosed to you, persons we believe to be your authorized agent or representative, regulators in order to satisfy HWA' regulatory obligations, and is otherwise required or permitted by law. Lastly, we may disclose your non-public personal information to companies we hire to help administrate our business. Companies we hire to provide services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.

**To repeat, we do not sell your non-public personal information to anyone.**

**Information About Former Clients**

HWA does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.

**Confidentiality and Security**

Our employees are advised about the firm's need to respect the confidentiality of our customers' non-public personal information. Additionally, we maintain physical, procedural and electronic safeguards in an effort to protect the information from access by unauthorized parties.

**We'll Keep You Informed**

We will send you notice of our privacy policy annually for as long as you maintain an ongoing relationship with us. Periodically we may revise our privacy policy, and will provide you with a revised policy if the changes materially alter the previous privacy policy. We will not, however, revise our privacy policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing. You may obtain a copy of our current privacy policy by contacting us at (858) 794-1454.