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**VZD CAPITAL MANAGEMENT, LLC**

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[**www.vzdcap.com**](http://www.vzdcap.com)

***Form ADV Part 2A – Firm Brochure***

***Item 1 – Cover Page***

***Effective Date: March 30, 2021***

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This Brochure provides information about VZD Capital Management, LLC (also referred to as VZD Capital throughout this disclosure brochure). If you have any questions about the contents of this brochure, please contact us at (816) 726-7066 or email at [info@vzdcap.com](mailto:info@vzdcap.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commissioner or by any state securities authority.

.Additional information about VZD Capital Management, LLC is also available online at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). VZD's CRD# is 166514.

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

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**VZD CAPITAL MANAGEMENT, LLC DISCLOSURE BROCHURE**

**Item 2 – Material Changes**

This Form ADV Part 2A (the "Brochure") provides information about the qualifications and business practices of VZD Capital Management, LLC. In addition, this item requires us to summarize any material change to our Form ADV Part 2A since our last annual update on March 30, 2020.

* Disclosure of the Paycheck Protection Program participation – Item 18. VZD Capital Management received a loan for $3,442. The program was created to allow small businesses to retain staff during the COVID-19 pandemic.
* The extent and the effect of the COVID-19 pandemic unknown at that time. VZD applied for the loan as a precaution. This would assure the continuation of outsourced vendors' services to transition our system into a stay-at-home environment.
* The financial stability of VZD Capital Management was never impacted. Still, the loan provided an additional cushion if it would be needed and would be used based on the SBA requirements.
* The fee levels have slightly changed since our last brochure dated March 20, 2020. The groups have increased based on the household assets under management. If the account(s) falls below the minimum investable amounts, the client will receive a communication from the Firm advising of such changes.
* If you have any questions about this brochure or other matters, please feel free to contact us. You may also receive a copy of ADV Part 2A and B by requesting a copy be sent to you either by mail or email. The ADV 2A describes our business and how we operate; Part 2B gives you more detailed information about the member, portfolio manager, and compliance officer at VZD Capitoal Management, LLC. You may also access ADV Part 2A online at [www.sec.gov](http://www.sec.gov), and both ADV Part 2A and B can be accessed online at [www.vzdcap.com](http://www.vzdcap.com).

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**VZD CAPITAL MANAGEMENT, LLC DISCLOSURE BROCHURE**

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**Item 4 – Advisory Business**

**Description of Advisory Firm**

VZD Capital Management, LLC ("VZD Capital") is a limited liability company formed in December 2012 in Kansas. VZD became registered as an Investment Adviser Firm in July 2013. VZD Capital has solely owned Ethel J. Davis, VZD Capital's Managing Member, and has been in the financial industry since 1988.

VZD Capital Management offers fee-based, discretionary investment management services to affluent individuals, multigenerational families, and Personal Choice Retirement Account (aka PCRA accounts). PCRA is a self-directed brokerage account that resides within an employer-sponsored retirement account. In addition to the choices typically offered by retirement plans, PCRA lets you invest in a much more comprehensive range of investments.

Prospective clients are required to sign an Acknowledgement Form to ensure they received the ADV Part 2A and 2B before any engagement with the Firm. Each client's investment objectives for compatibility to its investment plan. Each client's investment objectives identified risk tolerance based upon age, income, cash flow needs, investment goals, and emotional tolerance for volatility.

We construct client portfolios using exchange-traded funds (ETFs), individual equities, preferred stocks, Real Estate Investment Trusts (REITs), U.S. government securities, convertible securities, corporate and municipal bonds, and other securities deemed appropriate.

**Types of Investments**

When providing investment management services, the Firm will typically construct each client's account holding through the use of designated investments, including, without limitation, stocks, bonds, preferred stocks, fixed income instruments and exchange-traded

VZD Capital Management, LLC (VZD) is an investment adviser providing consulting and investment management services. Through our Investment Management Services, we give the clients continuous and ongoing supervision over client investment accounts. Specifically, VZD continuously monitors a client's account, makes investment decisions, and trades the account as necessary.

Services are based on the individual needs of the client. During regular business hours, clients may call in at any time to discuss the client's account, financial situation, or investment needs. Clients will receive timely confirmations from the custodian/brokerage firm and monthly statements containing a description of all transactions and all account activity.

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**Consulting Services**

VZD Capital Management, LLC offers hourly advisory consultation to individuals who do not meet the required minimum for ongoing discretionary investment management. Through this service, the client responds and make-on site recommendations for a flat fee of $250.00 up to $500.00 depending on the complexity

VZD provides consulting services to Executives, Middle Management, and plan participants who offer brokerage services for retirement assets. We guide clients with our proprietary tools to determine retirement goals, time horizon, emotional risk level, and quarterly review to evaluate asset allocation and performance.

We offer business strategies to provide a roadmap for clients to ensure they are on track with their long-term goals and objectives. In addition, we determine the cost based on the financial initiatives' complexity and how many hours the Firm can complete the evaluation and implementation process with the client's assistance.

VZD and Ethel J. Davis provide estate planning collaborations with the client's Certified Public Accounts (CPAs), Estate Planning & Elder Care Attorneys, Specialized Bookkeepers, and other professionals utilize for legacy purposes. If the client provides a letter of authorization that allows us to build a relationship with other professionals, VZD keeps this on file for future reference and ongoing dialogues.

The client signs a consulting and non-disclosure agreement to ensure they understand the terms and expectations of the relationship entirely. The client has the authority to terminate the relationship by written authority. The fee clock stops upon receipt of the notice and will be pro-rated depending on the days served.

VZD Capital Management, LLC offers an **Executive Mentoring Program** that allows underserved professionals and candidates to learn industry-leading to a potential member after passing appropriate licensing. This program does not provide any compensation, and the candidate signs a non-solicitation and confidentiality agreement before an informal engagement.

**Types of Investments**

When providing investment management services, the Firm will typically construct each client's account holding through the use of designated investments, including, without limitation, stocks, bonds, U.S. securities, preferred stocks, fixed income instruments, real estate investment trusts (REITs), exchange-funds (ETF's), and money market accounts. As a result, we retain broad and flexible investment authority, and there are no material limitations on the instruments nor the marketplace.

The client may suggest a holding that might not be a company recognized by the Firm. However, the client must sign a letter advising the recommendation and not go against VZD's performance or monitoring services.

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**Customized Advisory Services Based on Individual Needs**

VZD Capital Management provides fee-based, discretionary investment management services based on the individual needs of each client. This means that the client has to authority to impose a minimum level of restrictions on the accounts we manage, including specific investment selection and sectors. In addition, we work with each client one-on-one through interviews and written questionnaires to evaluate the client's investment objective and financial situation.

The clients are documented in writing and reviewed at each quarterly consultation. Individualized investment objectives for each client and household are recorded in writing and acknowledged by the customer. Any restrictions are conducted in writing and signed by the client. The engagement includes the implementation and execution of recommendations and rebalancing based upon the appropriate asset allocation. Each quarterly consultation ensures the investments align with the client's standard of living, time horizon, and emotional risk tolerance.

Every account will not look identical alike due to size, individual preferences, and date of engagement. VZD strives to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by the Firm. You must understand that we manage investments for other clients and give them advice or take action for them or for our accounts that are different from the recommendations we provide to you.

**Discretionary Assets Under Management**

The number of client assets managed by VZD Capital Management totaled 126 households, with assets under management being $36,187,319.00 as of March 30, 2021

**Item 5 Fees and Compensation**

**Fees and Compensation**

VZD Capital provides discretionary investment advisory services on a fee-only basis. The Firm's members receive an agreed salary and bonuses based on specific goals and objectives. VZD's annual discretionary fee-based advisory charges depend on the market value at the end of each quarter.

**Assets Under Management Annual Percentage Fee**

$200,000 - $1,000.000 1.00%

$1,000,001 - $6,000,000 .80%

$6,000,001 - $10,000,000 .70%

$10,000,000 and over .50%

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Fees charged for the investment management services billed based on a percentage of assets under management. Payments are collected in arrears at the end of the quarter o a calendar basis. The annual fee is divided by the quarter and provided to the Custodian to collect directly from the managed accounts outlined in the investment advisory management agreement. Advisory fees are negotiable, and arrangements with any particular client may differ from those described above. The Custodian delivers an account statement to the client at least quarterly or monthly, showing all disbursements, including advisory fees, deducted from the account. The client is encouraged to review all account statements for accuracy. The client and the Custodian's responsibility is to ensure the fees are sent to Charles Schwab & Co., Inc. for collection. VZD does solicit prepayments or collects fees in advance.

If any client household's total market value drops below $200,000 or less, the Firm may look at its discretion, charge an annual management fee of 1.5%. If clients continue to withdraw below the minimum amount, then termination occurs automatically, and VZD provides notice of delinkment to Charles Schwab & Co., Inc.

**Additional Fees**

Brokerage commissions and transaction ticket fees charged by the Custodian are billed directly to ***Charles Schwab and Co., Inc.***account(s). Accordingly, VZD will not receive any portion of such commission or fees from the Custodian or client. Also, clients may incur specific charges imposed by third parties in connection with investments made through the account, including but not limited to – annuity fees and surrender charges, IRA and qualified retirement plans fees, and closeout payments by transferring custodians.

I**tem 6 Performance-Based Fees and Side-by-Side Management**

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

**Item 7 – Types of Clients**

* High-Net-Worth Individuals and multigenerational
* Entrepreneurs and small business owners
* Trust and Estates
* Foundations

All clients are required to execute an agreement for services to establish a client arrangement with VZD Capital Management.

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

VZD uses the following methods of analysts in formulating our investment advice and managing client's assets. First, we attempt to measure the intrinsic value by looking at economic and financial factors to determine if the company is underpriced (indicating it may be an excellent time to buy) or overpriced (good time to sell).

VZD utilizes a proprietary process that identifies high-quality companies that can grow their earnings by double-digits but purchased at a reasonable valuation. We employ a proprietary process that identifies high-quality companies that can increase their revenues by double digits but acquired at a fair cost. We utilize a bottom-up, growth-at-a-reasonable-price methodology and begin with companies with one billion in market capitalization or greater. In addition, we consider the following aspects of a company to determine if the company is appropriate for our clientele:

* Good management teams
* Double-digit earnings growth
* Strong financial condition
* Solid balance sheet
* Strong free cash flow
* Good return on equity
* Low level of debt to equity ratio

To employ a bottom-up, fundamental approach, we are interested in delving into the companies, looking at their income statements, balance sheets, profitability, competitive positioning, segmentation of their business, and overall business model.

We make long-term security purchases but may also make a short-term investment, employ "dollar cost averaging" (periodic investing over a specific period), make short sales, and make margin transactions. Some of these investment strategies involve certain additional degrees of risk, consistent with the client's stated tolerance of risk.

Investing in securities involves the risk of loss that clients should be prepared to bear. Such risks include market risk, interest rate risk, currency risk, political risk, business risk, among others. In addition, specific trading strategies can affect investment performance through increased brokerage and other transactions.

The inherent risk of loss associated with investing, we cannot represent, guarantee, or even imply that our services and analysis methods can predict future results. Successfully identify market cycles or insulate you from losses due to market declines. However, each client's propensity for risk is thoroughly evaluated, documented, and considered throughout the portfolio management process. No investment strategy can assure a profit or avoid a loss.

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**Item 9 Disciplinary Information**

VZD Capital Management is required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us or the management's integrity. We have no information applicable to this item. Neither the Firm nor Ethel J. Davis has been subject to any disciplinary action as of this Brochure date.

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

VZD Capital Management is an independent investment advisory firm and only provides investment advisory services. The Firm is not engaged in any other business activities and offers no other functions than those described in this Disclosure Brochure. We do not have any arrangements to recommend (or refer) clients to a third-party investment advisor, nor do we receive referrals from a third investment advisor.

VZD Capital Management has no other financial industry affiliations.

**Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

VZD Capital Management created a Code of Ethics to help supervise the conduct of employees and independent consultants. The Code of Ethics describes the Firm's fiduciary duties and responsibilities to clients, and details practices for reviewing the personal securities transactions of supervised laws address insider trading, and details possible for disciplinary measures for violations. Customers may request a copy of the Code of Ethics by sending a written request to Ethel J. Davis, CEO and Portfolio Manager, email at [ethel@vzdcap.com](mailto:ethel@vzdcap.com), or calling (816) 726-7066.

Employees or independent contractors of VZD Capital Management are permitted to buy or sell securities for their accounts identical to or different from those recommended to clients. However, no person employed by VZD favors their interest over a client or makes personal investment decisions based on advisory clients' investment decisions.

VZD 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 to address potential interest conflicts. In addition, VZD prohibits investing in IPO's and requires prior approval from the Chief Compliance Officer for investing in any private placement (limited offerings).

Members and partners must deliver all trades, including but not limited to equities, mutual funds, Exchange-traded funds, and all investment instruments must be given to the Compliance Officer at the transaction time.

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**Item 12 Brokerage Practices**

Clients have the right to act or not act on financial consulting or other general recommendations of VZD Capital Management. However, we will be responsible for implementing recommendations for clients signing up for our investment management services and, therefore, responsible for trading and brokerage best execution. VZD is an independent fee-based advisory but utilizes the institutional investment platform of ***Charles Schwab & Co., Inc.*** Therefore, clients will need to open or transfer their accounts to ***Schwab*** to participate in VZD's advisory services.

Please note that not all investment advisors recommend or require the use of a specific broker/dealer. Some investment advisors allow clients to select the broker/dealer. However, for compliance and operational efficiency purposes, we have decided to require all investment management clients to open accounts through the Institutional Division of ***Charles Schwab & Co., Inc***. unless the Chief Compliance Officer's approval grants an exception.

Before engaging VZD Capital in providing investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with VZD Capital setting forth the terms and conditions under which VZD Capital shall manage the client's assets and a separate custodial/clearing agreement with each designated broker-dealer/custodian

VZD Capital does not receive client referrals from Charles Schwab & Co., Inc. We chose Schwab to be the Custodian of its client's accounts because of the following benefits, some of which may be interpreted as soft dollar benefits:

* A dedicated service group dedicated to VZD Capital Management's accounts.
* Duplicate and batched client statements, confirmations, and year-end summaries.
* The ability to have advisory fees directly debited from client accounts.
* Access to universal research reports

Consistent with fiduciary obligations, VZD Capital Management seeks the best execution in all transactions. Accordingly, best execution is not defined merely as attaining the lowest price but as the best price obtainable for a specific trade considering all relevant circumstances.

We formally review trading and brokerage practices on at least an annual basis. Transactions implemented by VZD for client accounts are effected independently unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time.

This process is referred to as aggregating orders, batch trading, or block trading and is used by the Firm when VZD Capital Management believes such action may prove advantageous to clients. When VZD aggregates client orders, the allocation of securities among client accounts will be fair and equitable

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**Item 13 Review of Accounts**

For those clients to whom VZD Capital provides discretionary investment management services, account reviews are conducted on an ongoing basis by VZD Capital Portfolio Manager. In addition, portfolios are reviewed quarterly, semi-annual, and annual basis per the client's preference. Reviews of all accounts are conducted solely by Ethel J. Davis, CEO and Portfolio Manager.

VZD Capital *may* conduct account reviews periodically due to a triggering event, such as a change in client investment objectives and financial situation, market corrections, and client's request.

VZD Capital Management prepares and delivers various written reports to clients for meetings and requested by the client. Clients will receive account statements, confirmation, and other written information regarding their investment directly from their broker/dealer or qualified Custodian. Typically, VZD provides such information at the periodic reviews conducted with the client as agreed. Clients are always encouraged to compare reports supplied by VZD to the account statements delivered from the broker/dealer or qualified Custodian.

**Item 14 Client Referrals and Other Compensation**

VZD Capital Management, LLC, a policy not to engage solicitors or pay related or non-related persons to refer potential clients to our Firm. VZD policy is not to accept or allow our associated persons to take any form of compensation, including cash, sales award, or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

**Item 15 Custody**

VZD Capital Management, LLC does not have custody of client funds or securities. VZD has the authority to deduct fees from the client accounts indicated by the investment advisory agreement signed by the client. We have the limited power to request disbursements on the client's behalf to other clients' accounts if the accounts' registration is the same.

As part of this billing process, the client's Custodian is advised of the client's fee amount deducted. In addition, on a least quarterly basis, the Custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Therefore, VZD urges clients to review their statements received from the Custodian regularly and call with any questions or concerns.

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**Item 16 Investment Discretion**

Client hires VZD Capital to provide discretionary investment management services, in which case we place trades in a client's account without contacting the client before executing the transaction. This authority permits VZD to determine the type of securities to fulfill the agreed investment guideline policy(s).

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

* Determine the security to buy or sell; and
* Determine the amount of the security to buy or sell

The client gives us discretionary authority when signing a Limited Power of Attorney, Institutional Account Application, Charles Prime Broker Agreement, and the VZD Investment Advisory Agreement.

**Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, it is the client's responsibility to vote all proxies for securities held in accounts managed by our Firm.

**Item 18 Financial Information**

VZD Capital participated in the 2020 Paycheck Protection Program. We received $3,442 for a cushion if the pandemic environment should impact the Firm. However, we did not need the assets but guaranteed that our 1099 contractors could fulfill their obligation to the Firm. As an advisory firm that maintains discretion over client accounts. Registered investment advisers are required in some cases to provide specific financial information and or disclosures about their financial condition. We are also required to disclose any economic status that is reasonably likely to impair our ability to meet our contractual obligations. VZD Capital Management, LLC has no additional financial circumstances to report. VZD nor Ethel J. Davis have any unsatisfied liens or judgment, bankruptcies that would impair us from fulfilling any financial obligations.

**Item 19 Requirements for State-Registered Advisers**

Ethel J. Davis is a Managing Member of VZD Capital Management, LLC. For more information about the above individual, please refer to Part B Brochure Supplement.

Kansas registered firms must also disclose whether the Firm carries professional liability insurance coverage for the investment advisory services, cybersecurity, and error and omission insurance to protect our client's data and privacy. The Firm is not expected to take and currently has professional liability and errors and omissions insurance.

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