

PART 2A of FORM ADV: *FIRM BROCHURE*



VZD CAPITAL MANAGEMENT

where clients come first

VZD CAPITAL MANAGEMENT, LLC

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March 26, 2022

This Brochure provides information about VZD Capital Management, LLC (also referred to as VZD Capital throughout this disclosure brochure). 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. If you have any questions about this Brochure's contents, don't hesitate to get in touch with us at (816) 726-7066 or email at info@vzdcap.com.

Additional information about VZD Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 109941. Registration with the Securities and Exchange Commission does not imply any level of skill or training.

Item 2. Material Changes

This Firm Brochure provides you with a summary of VZD Capital Management LLC's advisory services fees and specific business practices and policies, as well as actual or potential conflicts of interest, among other things. This item provides our clients with a summary of new and updated information. We will inform you of the revision(s) based on the type of the latest and updated information as follow:

Annual Update: VZD must update certain information at least annually, within 90 days of the firm's fiscal year-end (FYE). The firm provides you with a Summary of Material Changes within 120 days of our fiscal year-end.

Since the previous annual update Form ADV Part 2A for VZD Capital Management, LLC on March 30, 2021, the following material changes have been made:

- Hourly Financial Consulting Services offered on a non-discretionary basis means that you can choose whether to implement any of our recommendations.
- We do not provide legal or tax advice, and we recommend that you consult with a qualified professional for such services. We may refer you to a legal or tax professional, but you are encouraged to perform your due diligence. We do not receive referral fees or provide contact information for these professionals.

Item 7 has been updated to state, "The minimum household account size requirement for investment management services is \$250,000. If we make an exception due to a family relationship with current clients, that decision is left to Ethel J. Davis's discretion.

You may also request a copy of this Disclosure Brochure by contacting us directly at 816-726-7066 or ethel@vzdcap.com. You may also obtain a copy of our current Disclosure Brochure at www.adviserinfo.sec.gov by searching the firm's identification number,

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. VZD Capital Management is a Registered Investment Advisory firm licensed in July 2013 with the State of Kansas. Ethel J. Davis is the sole owner of the firm.

VZD Capital Management offers fee-based, discretionary investment management services to affluent individuals, multigenerational families, and Personal Choice Retirement Account (PCRA accounts). We are in the business of managing individually tailored investment portfolios. The firm provides continuous advice to a Client regarding the investment of the Client's funds based on the Client's individual needs.

Through personal discussions and assessments, VZD crafts the established financial goals and objectives based on a Client's particular circumstances. We develop a customized roadmap, investment plan, and asset allocation based on specific ramifications. Prospective clients must sign an Acknowledgement Form to ensure they received the ADV Part 2A, 2B, and Privacy Policy before any engagement with the Firm.

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

The Firm will typically construct each Client's account holding through designated investments, including, without limitation, stocks, bonds, preferred stocks, fixed income instruments, and exchange-traded funds, if appropriate.

VZD is an investment adviser providing financial consulting and non-discretionary action plans for Clients to execute if their balances fall below our stated minimums.

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

Consulting Services

VZD Capital Management, LLC offers hourly advisory consultation to individuals who do not meet the required minimum for ongoing discretionary investment management services. Depending on the underlying circumstances, the hourly wages range from a flat fee of \$250.00 up to \$500.00.

VZD provides consulting services to clients currently operating their own business, are considering starting a business, or are planning for an exit from their current business. We work with you under this type of engagement to assess your current situation, identify your objectives, and develop a plan to achieve the stated goals.

We offer clients cash flow and budgeting strategies to determine current surplus or deficit and advice on prioritizing how any excess should be used or how to reduce expenses if they exceed income.

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 it 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 correspondence. 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

The Firm will typically construct each Client's account holding through designated investments, including, without limitation, stocks, bonds, U.S. securities, preferred stocks, fixed income instruments, real estate investment trusts (REITs), exchange-funds (ETF), and money market accounts.

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.

Customized Advisory Services Based on Individual Needs

VZD Capital Management provides fee-based, discretionary investment management services based on each Client's individual needs. 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 engagement includes implementing and executing recommendations and rebalancing based on appropriate asset allocation. Each quarterly consultation ensures the investments align with the Client's standard of living, time horizon, and emotional risk tolerance. Individualized investment objectives for each Client and household are recorded in writing and acknowledged by the customer. Any restrictions are in writing and signed by the Client.

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

Discretionary Assets Under Management

The number of client assets managed by VZD Capital Management totaled 128 households, with assets under management being \$39,665,142.00 as of March 26, 2022.

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

\$250,000 - \$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%

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 on 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. 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 and fee amounts. The advisory management fees are negotiable, and arrangements with any client may differ from those described above. VZD does solicit prepayments for investment management fees.

If any client household's total market value drops below \$250,000 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 delinking account 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.

Item 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 must execute an agreement for services to establish a client arrangement with VZD Capital Management.

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 the 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 acquire 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. These investment strategies involve certain additional degrees of risk, consistent with the Client's stated risk tolerance.

Investing in securities involves the risk of loss that clients should know before investing. Risks include but are not limited to 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.

No investment strategy can assure a profit or avoid a loss. We cannot represent, guarantee, or even imply that our services and analysis methods can predict future results due to the inherent risk of loss associated with investing. Successfully identify market cycles or insulate you from losses due to market declines.

Item 9. Disciplinary Information

VZD nor Ethel J. Davis is clear of any civil or disciplinary actions or lawsuits. The firm is free of any liens and is debt-free. Neither the Firm nor Ethel J. Davis has been subject to any disciplinary action by the Securities and Exchange Commission (SEC) or any State Regulators.

Item 10. Other Financial Industry Activities and Affiliations

VZD Capital Management is an independent investment advisory firm and only provides investment advisory services. 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. The Firm is not engaged in any other business activities and offers no other functions than those described in this Disclosure Brochure.

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, 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, or calling (816) 726-7066.

Employees or independent contractors of VZD Capital Management can 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 IPOs 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 submit transactions to the Compliance Officer at the transaction time.

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, we have requested all investment management clients to open accounts through the Institutional Division of Charles Schwab & Co., Inc. for compliance and operational efficiency purposes unless the Chief Compliance Officer's approval grants an exception.

Before engaging VZD Capital in providing investment management services, the Client must 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 entity 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.
- Duplicated 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, the best performance 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 a quarterly basis. Transactions implemented by VZD for client accounts are independently delivered unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time.

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 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 requests 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 nonrelated 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' funds 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 regularly review their messages from the Custodian and call with any questions or concerns.

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, the Client's responsibility is 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. In some cases, registered investment advisers must provide specific financial information and disclosures about their financial condition. We are also required to disclose any economic status 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. Please refer to Part B Brochure Supplement for more information about the above matter. Charles Schwab & Co., Inc requires all investment firms to carry professional liability insurance to become members of their Institutional Division. VZD carries above and beyond the required amount of insurance to protect our clients and firms from any fraudulent activities.