

Form ADV Part 2A
Investment Advisor Brochure

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This brochure provides information about the qualifications and business practices of Bud Leedom, Leedom Asset Management. If you have any questions about the contents of this brochure, please contact 858.829.8688, or bud@californiastocks.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Leedom Asset Management also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Material changes to the ADV Brochure will be provided to clients who have received previous versions of brochure.

Changes for 2021 include:

1. Change in assets under management as indicated in Item 4.
2. Other Financial Industry Activities as indicated in Item 10.

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Item 4: Advisory Business

Leedom Asset Management (LAM) was founded in 2007 and provides investment management services to individual investors. LAM is registered in California and its principal owner is Bud Leedom. LAM provides investment supervisory services for clients primarily through the creation and ongoing monitoring of equity and fixed-income portfolios. As of March 10, 2021, LAM managed approximately \$60.3 million in client assets of which 100% were managed on a discretionary basis. As of March 10, 2021, LAM client assets are domiciled at Charles Schwab & Co. LAM does not custody client assets.

Services are based on the individual desires and needs of the client. An initial interview is undertaken to determine the client's financial situation and investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of the account. LAMs equity strategy is based on the creation of a model portfolio with a primary investment emphasis on growth stocks. LAMs investment strategy is limited to stocks, bonds and options. Investments in each client account are based on the model portfolio but can be structured according to specific client needs. Clients have the ability to leave standing instructions from investing in particular securities or types of securities. Clients may also request Advisor to limit their equity exposure by leaving specific instructions in that regard at any time.

It is the client's responsibility to notify Advisor if changes arise to their financial situation or investment objectives. Clients are welcome to call Advisor at any time during normal business hours to discuss their account, financial situation, or investment needs. Clients will receive from the custodian/brokerage firm timely confirmations and monthly statements containing a description of all transactions and all account activity. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program. In addition to custodial statements, clients will receive quarterly performance reports from Advisor.

Item 5: Fees and Compensation

LAM charges an annual fee of 1% of assets under management and bills its clients on a quarterly basis. Management fees are for advisory services only and do not include any transaction fees or commissions which will be charged separately by the broker/dealer custodial firm. See the section heading Brokerage Practices for more information. Fees are negotiable on assets under management totaling greater than \$1 million per account. The first payment is assessed and due at the end of the first calendar quarter and will be assessed pro rata in the event the agreement is executed at any time other than the first day of the current calendar quarter. Subsequent payments are due and will be assessed on the first day after the end of each calendar quarter based on the value of the account assets under supervision as of the close of business on the last business day of that quarter. Adjustments may have to be made in the instance when significant deposits or withdrawals are made to the account during the course of an individual quarter.

Payment of fees may be paid directly by the client, or client may authorize the custodian holding client funds and securities to deduct advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by LAM. The custodian will provide monthly account statements to the client. Such statements will reflect all fee withdrawals by LAM. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated. Clients can receive a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period which is calculated after deducting, on a percentage basis, any management services performed during the quarter. LAM receives no compensation from the sale of securities or other investment products. Clients have the option to purchase investment products through other brokers or agents that are not affiliated with LAM.

LAM services will continue until either party terminates the agreement. Instructions to terminate are accepted by advisor either verbally or in writing from an authorized client representative and are effective upon receipt. If termination occurs prior to the end of a calendar quarter, the client will be invoiced for fees due on a pro-rata basis.

Item 6: Performance-Based Fees and Side-By-Side Management

LAM does not charge or accept performance-based fees for the execution of its investment management services.

Item 7: Types of Clients

LAM seeks to provide investment management services to a broad range of clients including individuals, trusts, investment companies, charitable organizations and pension plans. LAM may also provide services to pension and profit sharing plans and other ERISA accounts, trusts, estates and business entities. As of March 10, 2021, LAM clients were individuals, charitable organizations and pension plans. Generally, the minimum account size is \$100,000 and is at the discretion of LAM. There are no additional requirements for opening or maintaining an account.

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

LAM analyzes stocks using both fundamental and technical analysis including a technical tool that extrapolates institutional investor trends called LSI. Fundamental analysis includes a detailed review of financial reports, related conference calls and discussions with company management. Technical analysis included a review of charts as well as our proprietary LSI analysis. Based on this analysis, LAM forms a model portfolio of stocks that it applies to individual client accounts. Individual portfolios may differ according to the discretion of Bud Leedom and the risk tolerance and requirements of individual clients. Portfolios may differ but accounts typically contain 10 to 50 securities based on the outcome of our analysis as well as the requirements of individual clients. Investing in securities involves substantial risks including the potential loss of all or part of client assets. LAM seeks to mitigate risk through investing assets in multiple securities as part of its portfolio approach. However, this portfolio approach does not avoid risks inherent in investing in individual securities, particularly growth stocks which carry a higher risk profile.

Item 9: Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. LAM and Bud Leedom do not have any disclosure items.

Item 10: Other Financial Industry Activities and Affiliations

Bud Leedom occasionally performs due diligence and financial model analysis for non-client individuals and entities for an hourly fee. These activities generally comprise less than 25 hours per year and are conducted during times when the stock market is closed.

Item 11: Code of Ethics, Participation or Interest in Client Transactions, Personal Trading

Bud Leedom may personally invest in the same or related securities held in the account of LAM clients. Bud Leedom will always attempt to avoid any conflicts as well as attempt to obtain an execution price for himself that is no better than that obtained for clients in the course of any trading day. Front-running (trading shortly ahead of clients) is prohibited. Bud Leedom does not take positions in securities contrary to positions held within individual client accounts.

Item 12: Brokerage Practices

LAM presently uses the brokerage services of Charles Schwab. LAM is not affiliated with Schwab in any way and does not receive any commissions or fees.

Advisor may receive certain soft dollar benefits from Schwab including internet access to client holdings, transactions, and tax reporting information. Schwab also provides a dedicated team of individuals to assist all independent advisors with administrative matters that arise from time to time in the course of a long-term relationship with any client. Advisor receives monthly newsletters from Schwab that provide compliance updates for registered investment advisors. Clients should know that a firm may have an incentive to select or recommend one broker/dealer over another based on these types of soft dollars received, rather than selecting a broker-dealer that may provide the best execution for clients. LAM understands its duty for best execution and considers all factors in making a custodial recommendation to clients. While LAM may not necessarily obtain the lowest commission rate for clients, Advisor believes the rate is reasonable in relation to the value of the mutually beneficial brokerage and administrative services provided.

While individual client advice is provided for each account, client trades may be executed as a block trade. LAM encourages its existing and new clients to use the advisor's "lead custodian" which in this case is Charles Schwab. Only accounts in the custody of the lead custodian would have the opportunity to participate in aggregated securities transactions. All trades using the lead custodian will be aggregated and conducted in the name of LAM on behalf of its individual clients. The executing broker will be informed that the trades are for the account of the advisor's clients and not for the advisor itself. Although the Advisor does not favor any advisory account in an aggregated order, the Advisor will use

his discretion as to the risk tolerance of particular advisory accounts and may assign a higher weighting or stock selectivity to particular accounts. The Advisor seeks to understand the unique risk level of each client to determine if an advisory account should receive standard allocations (most conservative) or higher allocations of particular positions (risk tolerant). Advisor will not aggregate a client's order if in a particular instance the Advisor believes that aggregation would cause the client's cost of execution to be increased. The custodian will be notified of the amount of each trade for each account. The Advisor may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.

Item 13: Review of Accounts

Portfolio manager Bud Leedom reviews client accounts to monitor the overall account, account positions and performance, and to implement any changes to the portfolio. LAM provides its clients with a written quarterly letter included with the quarterly account statement describing the performance of the portfolio, position changes to the portfolio and to detail relevant market conditions and outlook that may impact the portfolio. Clients must be aware that there will be times when there is no daily monitoring or supervisory services whatsoever – such as when advisor is away on business, may be ill, or on personal vacation. There is clearly a risk that negative events at one or more of the clients' holdings may unfold during advisor's absence that could ultimately result in greater equity losses than might otherwise occur.

Item 14: Client Referrals and Other Compensation

LAM currently does not employ or contract individuals to provide investment advice or other advisory services to clients. LAM may pay a fee or compensate an individual for client referrals on a per referral basis. This compensation could include a portion or reduction of the account fee. As of March 10, 2021, LAM has not paid a referral fee or compensation to any individual for a client referral.

Item 15: Custody

LAM does not assume custody of client assets. Custody of client assets are maintained at the brokerage firm Charles Schwab. LAM mails to each client a quarterly account statement describing quarter to quarter changes in account value and a calculation of the account management fee. This account statement is in addition to account statements that are sent directly to clients, on a periodic basis, by the brokerage firms that have custody of LAM client assets. Clients should carefully review and compare both sets of account statements. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of client accounts for tax purposes. Any discrepancies between these statements should be immediately communicated to LAM.

Item 16: Investment Discretion

LAM accepts discretionary authority to manage accounts on behalf of its clients. Accounts are managed according to the model portfolio strategy described in Item 3. Clients may place limitations upon this discretion with specific instructions outlined in written communication to LAM. These limitations may be

in regard to trading frequency, tax implications, or assets to be held in cash. LAM will also consider additional requests that may arise from special circumstances. Clients grant discretionary authority to LAM upon execution of a limited power of attorney. Clients may apply specific limitations to the account through a written addendum to its client agreement with LAM.

Item 17: Voting Client Securities

LAM accepts client authority to vote securities in shareholder votes per LAMs discretion. Upon request, LAM will vote according to the desire of an individual client communicated to LAM in writing or via electronic (email) communication prior to the voting deadline. LAM will always place its client's desire first in voting securities provided they are communicated prior to a voting deadline by the client. Barring specific communications from clients, LAM will vote shares in a manner in which it believes to be in the best interest of its clients. Clients can obtain the voting record of LAM on any particular security by submitting a request directly to LAM either in writing or via electronic communication.

Clients may also directly receive proxies to vote their securities from their custodian or transfer agent. Clients can contact LAM with questions about a particular solicitation or to seek advice.

Item 18: Financial Information

An investment advisor must provide financial information if a threshold of fee prepayments is met; if there is a financial condition likely to impair the ability to meet contractual commitments; or if a bankruptcy filing occurred within the past ten years. LAM does not have any disclosure items in this section.

Item 19: Requirements for State-Registered Advisers

Bud Leedom is the principal of LAM. He has spent 29 years in the investment business beginning with eight years as an investment analyst and publisher of an investment advisory on San Diego based companies. Subsequent to this, Bud Leedom was employed as an investment analyst at Wells Fargo Securities based in San Francisco, CA where he served on firm's healthcare research team. Bud Leedom founded California Equity Research in 2005 which focused on providing equity research reports to clients on California based companies. Bud Leedom founded Leedom Asset Management, Inc. in 2007.