

Conscious Capital, Inc.

31 Woodspell Rd
Scarborough, ME 04074

Form ADV Part 2A – Firm Brochure

(319) 804-8350

Website: www.conscious-capital.net

Dated June 12, 2020

This Brochure provides information about the qualifications and business practices of Conscious Capital, Inc., “Conscious Capital”. If you have any questions about the contents of this Brochure, please contact us at (319) 804-8350. 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.

Conscious Capital, Inc. is licensed as an Investment Adviser with the States of Maine and Iowa. licensing of an Investment Adviser does not imply any level of skill or training.

Additional information about Conscious Capital is available on the SEC’s website at www.adviserinfo.sec.gov which can be found using the firm’s identification number 283947.

Item 2: Material Changes

Since our previous Annual ADV Update on June 12, 2020 the following material changes have been made:

Item 5: Our hourly fees were increased from \$200 per hour to a maximum of \$750 per hour.

Item 14: Advisor updated to include insurance agency affiliation with Tharp Insurance Solutions, LLC.

Item 19: Advisor updated outside business activity and current employment to include Tharp Insurance Solutions, LLC.

Item 2B: Advisor updated outside business activity and current employment to include Tharp Insurance Solutions, LLC.

Future Changes

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

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 283947.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (319) 804-8350.

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Item 4: Advisory Business

Description of Advisory Firm

Conscious Capital, Inc. is licensed as an Investment Adviser with the State of Maine. We were founded on April 29, 2016. Derek T. Tharp is the principal owner of Conscious Capital. Conscious Capital currently has client reportable discretionary Assets Under Management of \$1,827,666 as of June 12, 2020.

Types of Advisory Services

Financial Planning and Consulting Services

Conscious Capital offers clients a broad range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow and Debt Management
- Trust and Estate Planning
- Employee Benefits Optimization
- Investment Consulting
- Insurance Planning
- Retirement Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Manager Due Diligence

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below).

In performing these services, Conscious Capital is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Conscious Capital may recommend clients engage the Firm for additional related services and/or other professionals to implement recommendations. Clients are advised that a conflict of interest exists because Conscious Capital may recommend that the Firm provide additional services for compensation. Clients retain all rights and absolute discretion over decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Conscious Capital under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising

Conscious Capital's recommendations and/or services.

Investment and Wealth Management Services

Conscious Capital typically manages client investment portfolios on a discretionary basis. In addition, Conscious Capital may provide clients with wealth management services which may include a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

Conscious Capital primarily allocates client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, options, and independent investment managers ("Independent Managers") in accordance with their stated investment objectives.

Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in clients' portfolios. Clients may engage Conscious Capital to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, assets held in employer sponsored retirement plans, and qualified tuition plans (i.e., 529 plans). In these situations, Conscious Capital directs or recommends the allocation of client assets among the various investment options available with the particular plan or product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Conscious Capital tailors its services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner that is consistent with those needs and objectives. Conscious Capital consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Conscious Capital if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Conscious Capital determines, in its sole discretion, the conditions would not prove overly burdensome to the Firm's management efforts.

Investment Advisory Services

We offer investment management services by referring clients, where appropriate, to third-party money managers ("Outside Managers") for portfolio management services. We assist clients in selecting an appropriate allocation model, completing the Outside Manager's investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A.

Additionally, we will meet with the client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

Retirement Plan Consulting Services

Conscious Capital provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing, and optimizing their corporate retirement plans. Each engagement is individual negotiated and customized, and may include any or all of the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning & Benefits
- Investment Selection
- Plan Fee and Cost Analysis
- Plan Committee Consultation
- Fiduciary and Compliance
- Participant Education

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by Conscious Capital as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Conscious Capital’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

Educational Seminars

We may provide educational seminars on an “as announced” basis for groups seeking general advice on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual’s person’s need, nor does Conscious Capital provide individualized investment advice to attendees during these seminars.

Client Tailored Services and Client Imposed Restrictions

We offer the same suite of services to all of our clients. However, specific client financial plans and their implementation are dependent upon a client Investment Policy Statement, which outlines each client’s current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Wrap Fee Programs

We do participate in a wrap fee programs. We manage Wrap Fee accounts in the same manner as we would manage any non wrap fee accounts. We receive a portion of the wrap fee for our investment management fee. Please see our wrap fee program brochure for more information.

Item 5: Fees and Compensation

Please note, unless a client has received the firm’s disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client within five (5) business days of signing the contract without incurring any advisory fees and without penalty. How we are paid depends on the type of advisory service we are performing. Please review the fee and compensation information below.

Conscious Capital offers services on a fee-only basis, which may include fixed and/or hourly fees, as well as fees based upon assets under management or advisement.

Financial Planning and Consulting Fees

For stand-alone financial planning and consulting services Conscious Capital will either charge an hourly fee or fixed fee which may include an annual fee paid monthly for ongoing services. These fees are negotiable, but generally will be assessed at: i) up to \$750 per hour; ii) project fee that will generally have an upfront fee of ½ of the project cost (up to \$10,000); or iii) annual fees billed monthly for ongoing support up to \$4,000 per month. Specific fees will depend upon the scope and complexity of the services and the professional rendering of the financial planning and/or the consulting services. If the client engages the Firm for additional investment advisory services, Conscious Capital may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Conscious Capital generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$600 or more in prepaid fees in excess of six months in advance of services rendered.

Investment Management Fees

Conscious Capital offers investment management services for an annual fee. Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Maximum Annual Advisory Fee
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\$0 - \$1,000,000	1.50%
\$1,000,001 - \$2,000,000	1.25%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001 and Above	0.75%

The annual fee is a tiered fee prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Conscious Capital on the last trading day of the previous billing period. Fees will be based upon the value of the plan on the last day of the preceding quarter. For example, April 1st to June 30th quarter, the fee will be based on the account(s) March 31st value, and client will be billed on April 1st.

No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees are directly debited from client accounts, or clients may choose to pay by check. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client on a prorated basis.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Conscious Capital may negotiate a fee rate that differs, though will not exceed, the range set forth above.

Investment Advisory Services

When Conscious Capital directs clients to Outside Managers, Conscious Capital will be compensated via a fee share from each of the advisors to which it directs clients. The fees shared will not exceed any limit imposed by any regulatory agency. The Outside Manager will debit the client's account for the advisory fee, and will remit Conscious Capital's portion of the fee to Conscious Capital. The standard advisory fee is based on the market value of the account and is calculated as follows:

Account Value	Maximum Annual Advisory Fee
\$0 - \$1,000,000	1.50%
\$1,000,001 - \$2,000,000	1.25%
\$2,000,001 - \$5,000,000	1.00%
\$5,000,001 and Above	0.75%

The annual fees are negotiable and are pro-rated and paid in advance on a quarterly basis. Please note, the above fee schedule does not include the Outside Manager's fee. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with written notice at least 15 calendar days in advance. Upon termination of the account, any unearned fee will be refunded to the client.

Retirement Plan Consulting Fees

Conscious Capital's fees vary based on the complexity of the assignment. Fees can be hourly, project-based (i.e., "flat" fee), or a percentage of assets under management. All fees are negotiable and are billed in arrears at the completion of the work. There is a minimum fee of \$1,000 for each assignment. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the Agreement. Clients may terminate Conscious Capital's services at any time upon written notice. Upon termination, the client would be responsible only for the pro-rata portion of fees attributable to work already performed for the client.

Conscious Capital offers several fee options. Conscious Capital may be compensated based on an annual percentage of plan assets for services involving ongoing reviews, or it may be compensated by an hourly fee or fixed fee. Alternatively, these different types of fees may also be combined as appropriate for the different types of services requested by the client. Typically, the annual fee ranges from 0.50% to 1.50% of plan assets depending on the services requested and the size of the plan. The annual fees are negotiable and are pro-rated and paid in advance on a quarterly basis. Fees will be based upon the value of the plan at the end of the quarter. Conscious Capital's hourly charges are up to \$750 per hour. A fixed fee may be quoted based on an estimate of hours for the services requested. Conscious Capital may request an initial deposit for hourly and fixed fee arrangements. The amount of a requested retainer will never exceed the fee for services to be provided within the first six months of an engagement. Plan sponsors are invoiced in advance at the beginning of each calendar quarter.

Fee Discretion

Conscious Capital may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, and pro bono activities.

Additional Fees and Expenses

In addition to the advisory fees paid to Conscious Capital, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described at length in Item 12, below.

Direct Fee Debit

Clients generally provide Conscious Capital with the written authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Conscious Capital. Where required, Conscious Capital also sends to clients a written invoice itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee and the amount of assets under management on which the fee was based.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to Conscious Capital’s right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients may withdraw account assets on notice to Conscious Capital, subject to the usual and customary securities settlement procedures. However, the Firm generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. Conscious Capital may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

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

We do not offer performance-based fees.

Item 7: Types of Clients

Conscious Capital offers services to individuals, retirement plans (including pension, profit sharing plans, defined benefit plans and defined contribution plans), trusts, estates, charitable organizations, corporations, and business entities.

Our typical minimum account size requirement is \$500,000.00. However, we reserve the right to waive the minimum account requirement at our own discretion.

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

Conscious Capital primarily employs insights derived from fundamental and technical analysis as well as Modern Portfolio Theory (“MPT”) methods in developing investment strategies for clients. Research and analysis is used or developed by Conscious Capital is derived from numerous sources, including third-party research materials and analytical software. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Conscious Capital, this process typically involves an analysis of an issuer’s management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm’s model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Conscious Capital will be able to accurately predict such a reoccurrence.

Modern Portfolio Theory (“MPT”) is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, Conscious Capital’s

investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

General Investment Strategies

Conscious Capital generally employs a long-term and broadly diversified investment strategy for its clients, as consistent with their financial goals, return objectives, risk tolerance, time horizon, tax situation, liquidity needs, legal considerations, and any other relevant factors. Conscious Capital 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, Conscious Capital may also buy and sell positions that are more short-term in nature, depending on the goals of the client and/or the fundamentals and / or technical of the security, sector or asset class.

Conscious Capital typically uses a long-term strategic asset allocation for managing assets. In some cases, depending on the client, Conscious Capital may utilize a core-satellite approach to managing assets, which involves developing long-term strategic asset allocations that may include an allocation to tactical asset allocation (TAA) satellite. These expectations are derived from historical market data and fundamental and technical analysis. These strategic and tactical allocations determine the combined allocations to the various asset classes in the core and satellite portions of the portfolio.

In implementing the core portion of a portfolio Conscious Capital generally relies on individual securities or lower cost mutual funds and exchange traded funds that are intended to track the returns of indexes and/or fundamental/enhanced index funds that has a high correlation with an index but also deviates from that index in some of its holdings with the goal of enhanced risk-adjusted returns (examples: Dimensional Fund Advisors). Conscious Capital may also utilize strategies, such as equal weighting of individual securities, that attempt to capture market returns in different manner than more traditional index approaches, such as market capitalization weighting. The satellite portion of the portfolio is managed according to an approach that is consistent with a client's goals and objectives.

Occasionally the Firm will utilize options where a client has a concentrated position. Specifically, the Firm may sell covered calls for the generation of income or purchase puts for hedging the concentrated position.

Conscious Capital Socially Conscious Investment Strategies

Conscious Capital may utilize various socially conscious investment approaches if a client desires. Conscious Capital may construct portfolios that utilize mutual funds, ETFs, or individual securities with the purpose of incorporating socially conscious principles into a client's portfolio. These portfolios may sometimes also be customized to reflect the personal values of each individual, family, or organization. This allows the Firm's clients to invest in a way that aligns with their values. Conscious Capital may rely on mutual funds and ETFs that incorporate Environmental, Social and Governance ("ESG") research as well as positive and negative screens related to specific business practices to determine the quality of

an investment on values-based merits.

Additionally, Conscious Capital may construct portfolios of individual securities in order to provide clients with a greater degree of control over the socially conscious strategies they are utilizing. Conscious Capital relies on third-party research when constructing portfolios of individual securities with socially conscious considerations. Conscious Capital generally aims to incorporate strategies in a passive and diversified manner. Conscious Capital will not actively monitor all individual security holdings, but will instead focus on a group of individual securities passively managed and aimed at achieving a high correlation with some underlying index. Individual securities may be equally weighted within a particular asset class of a portfolio. Equally weighting securities could result in higher turnover relative to other passive strategies as securities are rebalanced or added/removed from the portfolio.

Outside Managers

We may also refer clients to third-party investment advisers (“outside managers”). Our analysis of outside managers involves the examination of the experience, expertise, investment philosophies, and past performance of the outside managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager’s underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager’s compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in an outside manager’s portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager’s daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory, or reputational deficiencies.

Material Risks Involved

All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear. Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

Market Risk: Market risk involves the possibility that an investment’s current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer’s operations or its financial condition.

Strategy Risk: The Adviser’s investment strategies and/or investment techniques may not work as intended.

Socially Conscious Investing: If you request your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

Small and Medium Cap Company Risk: Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client's portfolio.

Turnover Risk: At times, the strategy may have a portfolio turnover rate that is higher than other strategies. A high portfolio turnover would result in correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance.

Limited markets: Certain securities may be less liquid (harder to sell or buy) and their prices may at times be more volatile than at other times. Under certain market conditions we may be unable to sell or liquidate investments at prices we consider reasonable or favorable, or find buyers at any price.

Concentration Risk: Certain investment strategies focus on particular asset-classes, industries, sectors or types of investment. From time to time these strategies may be subject to greater risks of adverse developments in such areas of focus than a strategy that is more broadly diversified across a wider variety of investments.

Interest Rate Risk: Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

Legal or Legislative Risk: Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

Inflation: Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

Independent Manager Risk. Conscious Capital may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Conscious Capital continues to conduct ongoing due diligence of such managers, but such recommendations rely, to a great extent, on the Independent

Managers' ability to successfully implement their investment strategies. In addition, Conscious Capital generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

Common stocks may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

Corporate Bonds are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

Municipal Bonds are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

Options and other derivatives carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

Exchange Traded Funds prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

Investment Companies Risk. When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also

subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are delisted from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

Item 9: Disciplinary Information

Criminal or Civil Actions

Conscious Capital and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

Conscious Capital and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

Conscious Capital and its management have not been involved in legal or disciplinary events that are material to a client's or prospective client's evaluation of Conscious Capital or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Derek T. Tharp is a licensed insurance agent who conducts insurance sales via an agency in which he is a 100% owner (Tharp Insurance Solutions, LLC).

No Conscious Capital employee is licensed, or have an application pending to register, as a broker-dealer or a licensed representative of a broker-dealer.

No Conscious Capital employee is licensed, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor.

Conscious Capital does not have any related parties. As a result, we do not have a relationship with any related parties.

Fee share received from Outside Managers: When Conscious Capital directs clients to Outside

Managers, Conscious Capital will be compensated via a fee share from each of the advisors to which it directs clients. The fees shared will not exceed any limit imposed by any regulatory agency. The Outside Manager will debit the client's account for the advisory fee, and will remit Conscious Capital's portion of the fee to Conscious Capital.

We may compensate any person directly or indirectly for client referrals. We will ensure any person who we compensate for client referrals is properly licensed and/or reported in accordance with state and federal securities laws and regulations. In the event we do plan to compensate a specific party for referrals, we will draft and require both parties to enter into a written solicitor's agreement.

Recommendations or Selections of Other Investment Advisers

Conscious Capital may refer clients to other investment advisers to manage their accounts. In such circumstances, Conscious Capital will share in the other investment adviser's asset management fee. This situation creates a conflict of interest. However, when referring clients to another investment adviser, the client's best interest and suitability of the other investment advisers will be the main determining factors of Conscious Capital. This relationship is disclosed to the client at the commencement of the advisory relationship. These compensation arrangements present a conflict of interest because Conscious Capital has a financial incentive to recommend the services of the other investment advisers. You are not obligated, contractually or otherwise, to use the services of any other investment advisers we recommend. Additionally, Conscious Capital will only recommend another investment adviser who is properly licensed or licensed as an investment adviser.

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

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings. The firm also adheres to the Code of Ethics and Professional Responsibility adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.

Code of Ethics Description

This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients. A summary of the Code of Ethics' Principles is outlined below.

- Integrity - Associated persons shall offer and provide professional services with integrity.
- Objectivity - Associated persons shall be objective in providing professional services to clients.
- Competence - Associated persons shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which they are engaged.
- Fairness - Associated persons shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers, and shall disclose conflict(s) of interest in providing such services.
- Confidentiality - Associated persons shall not disclose confidential client information without the specific consent of the client unless in response to proper legal process, or as required by law.
- Professionalism - Associated persons' conduct in all matter shall reflect credit of the profession.
- Diligence - Associated persons shall act diligently in providing professional services.

We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide of copy of its Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither our firm, its associates or any related person is authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a related person has a material financial interest, such as in the capacity as an underwriter, adviser to the issuer, etc.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

Our firm and its "related persons" may buy or sell securities similar to, or different from, those we recommend to clients for their accounts. In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates'

transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm principal in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

Trading Securities at/Around the Same Time as Client's Securities

From time to time, our firm or its "related persons" may buy or sell securities for themselves at or around the same time as clients. This creates a conflict of interest as we are able to trade securities in our accounts prior to executing the trade for clients in an effort to receive more favorable pricing. In order to mitigate this, we will not trade non-mutual fund securities 5 days prior to the same security for clients.

Item 12: Brokerage Practices

Factors Used to Select Custodians and/or Broker-Dealers

Conscious Capital, Inc. does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to client based on their need for such services. We recommend custodians based on the reputation and services provided by the firm.

1. Research and Other Soft-Dollar Benefits

We currently do not receive soft dollar benefits.

2. Brokerage for Client Referrals

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients' money over using a lower-cost custodian.

Aggregating (Block) Trading for Multiple Client Accounts

Generally, we combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). A portion of the shares will be distributed to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding

particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Additionally, Outside Managers used by Conscious Capital may block client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

Item 13: Review of Accounts

Client accounts with the Investment Management Service will be reviewed regularly on an annual basis by Derek T. Tharp, Owner and CCO. The account is reviewed with regards to the client's investment policies and risk tolerance levels. Events that may trigger a special review would be unusual performance, addition or deletions of client imposed restrictions, excessive draw-down, volatility in performance, or buy and sell decisions from the firm or per client's needs.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Conscious Capital will not provide written reports to Investment Management clients.

Item 14: Client Referrals and Other Compensation

Derek T. Tharp may receive compensation for insurance products sold via Tharp Insurance Solutions, LLC. Clients are not required to purchase insurance from Tharp Insurance Solutions, LLC.

We do not receive any economic benefit, directly or indirectly from any third party for advice rendered to our clients.

We may compensate any person directly or indirectly for client referrals. We will ensure any person who we compensate for client referrals is properly licensed and/or reported in accordance with state and federal securities laws and regulations. In the event we do plan to compensate a specific party for referrals, we will draft and require both parties to enter into a written solicitor's agreement.

Item 15: Custody

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

For client account in which Conscious Capital directly debits their advisory fee:

- i. Clients with accounts custodied at Folio Institutional will receive an Advanced Billing Notice directly from Folio Institutional detailing the fee to be charged, the time period that fee covers, and the method for calculating that fee.
- ii. Conscious Capital will provide copies of invoices to clients.
- iii. The custodian will send, at least quarterly, statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iv. The client will provide written authorization to Conscious Capital, permitting them to be paid directly for their accounts held by the custodian.

Item 16: Investment Discretion

For those client accounts where we provide investment management services, we maintain discretion over client accounts with respect to securities to be bought and sold and the amount of securities to be bought and sold. Investment discretion is explained to clients in detail when an advisory relationship has commenced. The discretionary relationship will be outlined in the advisory contract and signed by the client. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Item 17: Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to

you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

Item 18: Financial Information

licensed Investment Advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$500 in fees per client six months in advance.

Item 19: Requirements for State-licensed Advisers

Derek T. Tharp, Ph.D., CFP[®], CLU[®], RLP[®]

Born: 1989

Educational Background

- 2012 – Bachelor of Science in Finance, with a minor in Economics, Iowa State University
- 2012 – Masters of Family and Consumer Science with Family Financial Planning, Iowa State University
- 2017 – Doctor of Philosophy in Personal Financial Planning, Kansas State University

Business Experience

- 06/2020 – Present, Tharp Insurance Solutions, LLC, Owner
- 09/2018 – Present, University of Southern Maine, Assistant Professor of Finance
- 01/2018 – 05/2018, Kansas State University, Instructor
- 10/2016 – 08/2018, Kitces.com, Researcher
- 05/2016 – Present, Conscious Capital, Inc., Owner and CCO
- 07/2014 – 04/2016, Robert W. Baird & Co., Financial Advisor
- 03/2014 – 06/2014, Robert W. Baird & Co., Client Relationship Associate
- 05/2011 – 01/2016, Birch Investments, LLC, Owner
- 11/2012 – 03/2014, Mote Wealth Management, LLC, Financial Planner
- 06/2012 – 10/2012, RegentAtlantic Capital, LLC, Analyst
- 05/2009 – 06/2012, Geild, LLC, Owner

Professional Designations, Licensing & Exams

CFP (Certified Financial Planner) [®]: CFP[®] certificants must have a minimum of three years' workplace experience in financial planning and develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study approved by CFP[®] Board. They must pass a comprehensive 2-day, 10-hour CFP[®] Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. As a final step to certification, CFP[®] practitioners agree to abide by a strict code of professional conduct.

CLU (Chartered Life Underwriter) [®]: Since 1927, the CLU[®] has been the respected risk management credential for advisors. Designees have completed eight or more college-level courses representing an average study time of 400 hours. Topics for required courses include insurance and financial

planning, life insurance law, estate planning, and planning for business owners and professionals. Elective courses include such advanced topics as income taxes, group benefits, retirement planning, and health insurance. CLU® designees must meet experience and continuing education requirements and must adhere to a high ethical standard. The mark is awarded by The American College, a non-profit educator with the top level of academic accreditation.

RLP (Registered Life Planner)®: The RLP® designation focuses on effective client communication to help clients discover their most essential goals and align those goals with the client's finances. To be eligible for the RLP designation, recipients must complete a two day Seven Stages of Money Maturity workshop and five days of Life Planning Advanced Training, followed by a six-month mentorship and case study program.

Other Business Activities

Name: Tharp Insurance Solutions, LLC

Address: 31 Woodspell Rd, Scarborough, ME 04074

Investment-Related: No

Nature of the Entity: Insurance sales

Responsibilities in this Role: Owner. Sell life and health insurance products.

Hours Devoted: 10 hours per month.

Name: University of Southern Maine

Address: 96 Falmouth St, Portland, ME 04103

Investment-Related: No

Nature of the Entity: University

Responsibilities in this Role: Assistant Professor of Finance. Teach, conduct research, and provide service to the university and its students.

Hours Devoted: 160 hours per month (9 months of the year).

Name: Independent contract speaking, writing, and research work

Address: 31 Woodspell Rd, Scarborough, ME 04074

Investment-Related: No

Nature of the Entity: Independent contract speaking, research, and writing work

Responsibilities in this Role: Independent contractor. Speak, research, and write on topics related to personal finance.

Hours Devoted: 40 hours per month.

Performance Based Fees

Conscious Capital is not compensated by performance-based fees.

Material Disciplinary Disclosures

No management person at Conscious Capital, Inc. has ever been involved in an arbitration claim of any kind or been found liable in a civil, self-regulatory organization, or administrative proceeding.

Material Relationships That Management Persons Have with Issuers of Securities

Conscious Capital, Inc., nor Derek T. Tharp, have any relationship or arrangement with issuers of securities.

Conscious Capital, Inc.

31 Woodspell Rd
Scarborough, ME 04074
(319) 804-8350

Website: www.conscious-capital.net

Dated June 12, 2020

Form ADV Part 2B – Brochure Supplement

For

Derek T. Tharp, Ph.D., CFP®, CLU®, RLP®

Owner, and Chief Compliance Officer

This brochure supplement provides information about Derek T. Tharp that supplements the Conscious Capital, Inc. (“Conscious Capital”) brochure. A copy of that brochure precedes this supplement. Please contact Derek T. Tharp if the Conscious Capital brochure is not included with this supplement or if you have any questions about the contents of this supplement.

Additional information about Derek T. Tharp is available on the SEC’s website at www.adviserinfo.sec.gov which can be found using the identification number 6083418.

Item 2: Educational Background and Business Experience

Derek T. Tharp, Ph.D., CFP®, CLU®, RLP®

Born: 1989

Educational Background

- 2012 – Bachelor of Science in Finance, with a minor in Economics, Iowa State University
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Item 3: Disciplinary Information

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Item 4: Other Business Activities

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Nature of the Entity: University

Responsibilities in this Role: Assistant Professor of Finance. Teach, conduct research, and provide service to the university and its students.

Hours Devoted: 160 hours per month (9 months of the year).

Name: Independent contract speaking, writing, and research work

Address: 31 Woodspell Rd, Scarborough, ME 04074

Investment-Related: No

Nature of the Entity: Independent contract speaking, research, and writing work

Responsibilities in this Role: Independent contractor. Speak, research, and write on topics related to personal finance.

Hours Devoted: 40 hours per month.

Item 5: Additional Compensation

Derek T. Tharp does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Conscious Capital.

Item 6: Supervision

Derek T. Tharp, as Owner and Chief Compliance Officer of Conscious Capital, is responsible for supervision. He may be contacted at (319) 804-8350.

Item 7: Requirements for State licensed Advisers

Derek T. Tharp has NOT been involved in an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.