

**Sparrow Wealth Management
3655 William Penn Highway
Suite B
Easton, Pennsylvania 18045**

**Phone: 877-330-9191
Fax: 877-330-9191
Web Site: www.sparrowwealth.com**

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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Sparrow Wealth Management. If you have any questions about the contents of this brochure, please contact us at 877-330-9191. 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 Sparrow Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Sparrow Wealth Management is 152670.

Sparrow Wealth Management is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Advisory Business

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Sparrow Wealth Management's registration was granted by the U.S. Securities and Exchange Commission on January 15, 2010. Christopher M. Jones (CRD Number 4549249) is President and Chief Compliance Officer of the firm. Mr. Jones owns one hundred (100%) percent of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries, which have any ownership interest in the firm. As of November 8, 2010, the firm managed, on a discretionary basis, \$49,762,388.26, which represented 141 accounts. Client assets are managed on an individualized basis. Clients may impose restrictions on their accounts. The firm does not sponsor any wrap programs.

Sparrow Wealth Management (SWM) is a fee-only financial planning and asset management company. SWM provides a variety of services for individuals, families, trusts, and businesses. Approximately ninety-one (91%) percent of SWM's total billings shall be attributable to investment supervisory service activity and approximately nine (9%) percent shall be attributable to consulting about non-securities related matters.

Financial Planning Services

SWM offers new clients the opportunity to do a comprehensive financial plan. This plan includes a detailed review of the client's personal and financial goals, a cash flow analysis, tax planning, education planning, retirement planning, an insurance analysis, estate planning, and an investment evaluation. SWM provides the client with a written summary, a task list that the client should begin working on, and a recommended investment allocation based on the client's specific situation and risk tolerance. Before SWM can start working on the comprehensive financial plan, the client will need to sign a *Comprehensive Financial Planning Agreement*.

SWM offers hourly financial planning services to asset management clients who may or may not have completed a comprehensive financial plan. These services include updating a client's profile, updating a client's task list, reviewing the client's personal and financial goals, calculating the client's net worth, doing a cash flow analysis, tax planning, education planning, retirement planning, advising the client on corporate benefits, reviewing the client's insurance needs, estate planning, doing an investment evaluation, and providing other financial advice that the client requests help with. Hourly financial planning services are available anytime throughout the year, but clients mainly use them during their annual review. In order to begin these services, clients will need to sign an *Hourly Financial Planning Agreement*.

Asset Management Services

SWM offers asset management services for high net worth clients. The process for providing asset management begins with the establishment of the client's goals, objectives, time horizon, and risk tolerance. SWM works with the client to understand these critical components. Then, SWM assists the client in developing an Investment Policy Statement that clearly shows how the client's assets will be allocated across the various asset classes or risk factors. In developing the Investment Policy Statement, the first decision that must be made is how much of the client's assets to invest in fixed income and how much to invest in equity. Then, SWM allocates the equity portion of the client's portfolio across the following asset classes—U.S. and international, small and large, and value and growth. For the fixed income portion of the portfolio, SWM primarily invests in short-term bonds, intermediate bonds, and inflation-adjusted bonds. Depending on the client's specific needs and goals, SWM may decide to use additional asset classes (not mentioned above), or SWM may exclude some its standard asset classes.

SWM will manage the client's assets on a **discretionary** basis. Before starting, clients will need to sign an *Investment Advisory Agreement*.

Fees and Compensation

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The fee for the comprehensive financial plan ranges from \$2,000 to \$10,000, depending on the expected time and complexity of the engagement. The entire fee will be due upon completion of the financial plan.

The fee for hourly financial planning is \$250 / hour. SWM does not charge asset management clients hourly fees for the following financial planning services: updating the client's profile, their task list, their goals, and their net worth. Fees will be billed monthly, in arrears. Clients may terminate the *Hourly Financial Planning Agreement* at any time.

The annual charge for asset management is 1.00% of *assets under management* for amounts up to \$1,000,000, .75% for amounts between \$1,000,000 and \$5,000,000, and .60% for amounts over \$5,000,000.

The term, *assets under management*, generally refers to assets that are held in one or more brokerage account(s) where SWM has a Limited Power of Attorney on the account(s). This fee schedule is negotiable based upon portfolio size and other business considerations. No fee shall be based upon capital gains or capital appreciation of assets. Fees will be paid quarterly, in advance, and they will be based on the market value of the account(s) as of the last day of the prior quarter. No fee shall be paid more than six months in advance. The minimum quarterly fee is \$2,500. Fees for the first quarter will be prorated for the number of days that services are to be provided. Furthermore, the advisory client shall enjoy a five day penalty free right of rescission. If a client wants to have these fees debited directly from their brokerage account, the client must provide a written authorization to do so. The client may terminate SWM's asset management services at any time and a pro-rata refund (by day) of any fees paid will be made to the client.

In addition to the above fees charged for SWM's services, each mutual fund or REIT charges on-going management fees for the operations of the fund. These management fees should not be confused with "loads" or commissions. SWM primarily utilizes "no load" funds for its clients, except in rare circumstances. Finally, clients pay transaction fees to their brokerage firm for purchases and sales of mutual funds, securities, and REITs.

Performance-Based Fees and Side-By-Side Management

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None.

Types of Clients

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Individuals (primarily high net worth), pension plans, profit sharing plans, trusts, estates, charitable organizations.

Methods of Analysis, Investment Strategies and Risk of Loss

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SWM's basic investment philosophy is firmly rooted in the conviction that securities markets are generally efficient and that investment returns are primarily determined by asset allocation rather than by market timing or stock picking. Therefore, asset class investments are mostly implemented through the use of no-load, passively structured mutual funds, conventional index funds, and real estate investment trusts (REITs). Most of the funds that SWM uses are only available to institutional investors and approved investment advisors. In rare cases, SWM will use actively managed funds. With regards to selecting funds, SWM is primarily concerned with the fund's management style, consistency, and expense ratios.

SWM does not analyze individual securities through charting methods, fundamental analysis, technical analysis, or any other type of stock picking methodology. As stated previously, SWM's basic investment philosophy is firmly rooted in the conviction that securities markets are generally efficient and that investment returns are primarily determined by asset allocation rather than by market timing or stock picking. SWM's investment strategy is to develop globally diversified portfolios composed of passively structured mutual funds that represent specific asset classes in the global markets. These portfolios, which range in risk from conservative to aggressive, are specifically designed to meet the unique needs of each client.

Disciplinary Information

None.

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Other Financial Industry Activities and Affiliations

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None.

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

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SWM has adopted a written Code of Ethics in accordance with SEC Rule 204A-1. Such Code of Ethics addresses, among other things, the personal securities transaction practices and prohibitions imposed upon associated persons of the firm. A copy of the Code of Ethics is available upon request to all clients and prospective clients.

It is the express policy of SWM that no person employed by the firm may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, SWM has established the following restrictions in order to ensure its fiduciary responsibilities to our clients: No officer or employee of SWM shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No associated person of SWM shall prefer his or her own interest to that of the advisory client.

It is further disclosed that SWM is in full compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, SWM has distributed a firm-wide policy statement and written supervisory procedure statement setting forth what specific steps have been taken to police the dissemination of material nonpublic information.

Brokerage Practices

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SWM suggests that clients use a discount brokerage/custodial firm that provides access to no-load mutual funds, excellent customer service, leading-edge technology, and is cost effective. The commissions and/or transaction fees charged by the various brokerage/custodian firms that SWM suggests may be higher or lower than those charged by other firms. In seeking “best execution” for clients, the key factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into account the full range of services, including the execution capability, the technological processes used for submitting trades, and other valuable services.

It is customary for Custodians to provide certain products and services to investment advisors. Custodians provide SWM with software for downloading information into PortfolioCenter (SWM's portfolio management system), submitting client trades, and deducting advisory fees from client accounts. Additional services provided may include practice management and compliance assistance. SWM **does not** utilize any custodian's research products and/or services.

SWM feels that receipt of these products and services does not create any type of “conflict of interest” for the client.

Review of Accounts

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Sparrow Wealth Management conducts account reviews on a monthly basis. The purpose of the review is to determine if the current asset allocation for the portfolio is significantly out of tolerance with the desired allocation, which is based upon the client's Investment Policy Statement. When a client portfolio is significantly out of tolerance, the assets may be reallocated to keep the portfolio allocation consistent with the client's Investment Policy Statement. Also, client accounts may be reviewed more often depending on market conditions. Accounts are reviewed by Christopher M. Jones, the President of the firm.

Sparrow Wealth Management provides quarterly investment reports to asset management clients. These reports will show the client's current account holdings (by asset class), the actual performance of the portfolio (by asset class) during the most recent one-year period, and the actual performance of the portfolio since Sparrow Wealth Management, or its predecessor firm, Keystone Financial Planning, started to manage the account. In addition to the reports that the clients receive from Sparrow Wealth Management, they will also receive monthly statements and trade confirmations directly from their custodial/brokerage firm.

Client Referrals and Other Compensation

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Business Consulting

Christopher M. Jones, the President of SWM, provides business consulting services to start-up companies and small businesses. These services may include some or all of the following activities: business development, marketing, operations, investor presentations and education, and employee training.

Client Referrals

SWM does not pay for client referrals.

Custody

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None.

Investment Discretion

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SWM establishes a *discretionary* relationship with all asset management clients. This type of relationship helps to facilitate the investment process. For example, it allows SWM to rebalance client portfolios when necessary and to request third-party checks for a client.

Voting Client Securities

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SWM **does not** vote proxies for clients. Therefore, our clients retain responsibility for voting proxies on securities held in all their accounts (including the accounts managed by SWM).

Financial Information

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SWM does not receive fees more than six months in advance. No financial information is required.

Requirements for State-Registered Advisers

Not applicable.

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Additional Information

None.