



**Part 2A of Form ADV: *Firm Brochure***

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This brochure provides information about the qualifications and business practices of ClearWealth. If you have any questions about the contents of this brochure, please contact us at 1-800-416-1063 or [eddie@clearwealth.com](mailto:eddie@clearwealth.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 ClearWealth also is available on the SEC's website at [www.adviserinfo.sec.gov](http://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 116372.

## **Item 2    Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 05/6/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## **Item 4    Advisory Business**

ClearWealth, Inc. is a SEC-registered investment adviser with its principal place of business located in Idaho. ClearWealth, Inc. began conducting business in 1990.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Edward George Rainford, President

ClearWealth offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a clients regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the portfolio continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. at least annually, contact each client to determine whether there have been any material changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
2. be reasonably available to consult with the client;
3. and maintain client suitability information in each client's file.

We manage these advisory accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, Conservative), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a custodian, broker-dealer, or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities

- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships of Hedge Funds, Hedge Funds of Funds, and Managed Future's Funds

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability.

### **INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT**

Our firm provides portfolio management services to Retirement Plans ("Plans") using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment objective.

ClearWealth Ultra Aggressive  
 ClearWealth Aggressive  
 ClearWealth Moderately Aggressive  
 ClearWealth Moderate  
 ClearWealth Moderately Conservative  
 ClearWealth Conservative

We manage these model portfolios on a discretionary or non-discretionary basis. Model portfolio supervision is guided by each model portfolio's stated investment objective (i.e., Aggressive, Moderately Aggressive, Moderate, Moderately Conservative, Conservative).

Our investment recommendations are not limited to any specific product or service offered by custodian, broker dealer, or insurance company and will generally include advice regarding the following securities:

- Mutual fund shares

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the Plan's stated investment objectives, tolerance for risk, liquidity, and suitability.

To ensure that our initial determination of the availability of appropriate model portfolios remain suitable and that the model portfolios continue to be managed in a manner consistent with the Plan's investment objectives, we will:

1. at least annually, contact each Trustee/Fiduciary of the Plan to determine whether there have been any material changes in the financial situation or investment objectives, and whether the Plan wishes to impose investment restrictions or modify existing restrictions;
2. be reasonably available to consult with the Plan; and
3. maintain Plan suitability information in each Plan's file.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES ("ISS")**

The annualized fee for Investment Supervisory Services are charged as a percentage of assets under management at a rate of 1%. ClearWealth Inc.'s advisory fees are not negotiable.

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to ClearWealth for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount

of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Fee Arrangements:*** Pre-existing advisory clients are subject to ClearWealth's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum fee requirements and advisory fees will differ among clients.

***ERISA Accounts:*** ClearWealth is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, ClearWealth may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset ClearWealth's advisory fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

## **Item 6    Performance-Based Fees and Side-By-Side Management**

ClearWealth does not charge performance-based fees.

## **Item 7    Types of Clients**

ClearWealth provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations

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

### **METHODS OF ANALYSIS**

We and/or the Investment Managers engaged may use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.



**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Quantitative Analysis.** We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Qualitative Analysis.** We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF 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 also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Third-Party Money Manager Analysis.** We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment 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 a third-party 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 a third-party 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.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently attractive, and/or
- we want exposure to a particular security and/or asset class over time.

A risk in a long-term strategy is that by holding the security for this length of time, we may not take advantage of any short-term gains that could be profitable to a client. Moreover, a security may decline sharply in value before we make the decision to sell.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9     Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

ClearWealth and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

ClearWealth's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [eddie@clearwealth.com](mailto:eddie@clearwealth.com), or by calling us at

1-800-416-1063.

ClearWealth and individuals associated with our firm are prohibited from engaging in principal transactions.

ClearWealth may, at times, effect an agency cross transaction for an advisory client, provided that the transaction is consistent with our firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

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

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be excluded in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related

persons of the firm.

5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

As a matter of policy and practice, ClearWealth does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

ClearWealth participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. ClearWealth receives some benefits from TD Ameritrade through our participation in the program.

ClearWealth participates in TD Ameritrade's Institutional customer program and we may recommend TD Ameritrade to our clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors.

These benefits include the following, but may not be limited to, the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to

aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to ClearWealth by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by ClearWealth's related persons, and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for ClearWealth's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's adviser custody and brokerage services generally.

Some of the products and services made available by TD Ameritrade through the program may benefit ClearWealth but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by ClearWealth or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by ClearWealth or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice or recommendation of TD Ameritrade for custody and brokerage services.

## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

Edward G. Rainford (Financial Advisor)

Mr. Rainford, born September 20, 1975, in Santa Rosa, California, graduated from Willamette University, Salem, Oregon, with a B.S. degree in business economics and a minor in religious studies. Following graduation, Mr. Rainford passed both his National Association of Securities Dealers (NASD) Registered Representative examinations (Series 6 and 63) and served as a financial representative for New England Financial from 1998-1999. In 2000, Mr. Rainford joined Morgan Stanley Dean Witter where he passed three more NASD Registered

Representative examinations (Series 7, 65, 31) and served as a financial advisor over the course of the next year. At the end of 2001, Mr. Rainford left Morgan Stanley Dean Witter to form Sovereign Capital, Inc. From July of 2001 through August 2004, Mr. Rainford owned and operated Sovereign Capital, Inc. as a fee only investment advisory firm. During September 2004, Mr. Rainford closed Sovereign Capital, Inc. and joined Sadler Capital Management. Beginning in August 2006, Mr. Rainford took over full management responsibilities through the acquisition of Sadler Capital Management, Inc. and changed the name to Sadler Rainford Capital Management, Inc. After two successful years of strengthening and transitioning Sadler Rainford Capital Management, Inc. Mr. Rainford changed the name to ClearWealth, Inc. to better reflect the growth and direction of the firm.

### **INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

Edward G. Rainford (Financial Advisor) & Michael Fitzgerald (Retirement Plan Specialist)

Mr. Rainford, born September 20, 1975, in Santa Rosa, California, graduated from Willamette University, Salem, Oregon, with a B.S. degree in business economics and a minor in religious studies. Following graduation, Mr. Rainford passed both his National Association of Securities Dealers (NASD) Registered Representative examinations (Series 6 and 63) and served as a financial representative for New England Financial from 1998-1999. In 2000, Mr. Rainford joined Morgan Stanley Dean Witter where he passed three more NASD Registered Representative examinations (Series 7, 65, 31) and served as a financial advisor over the course of the next year. At the end of 2001, Mr. Rainford left Morgan Stanley Dean Witter to form Sovereign Capital, Inc. From July of 2001 through August 2004, Mr. Rainford owned and operated Sovereign Capital, Inc. as a fee only investment advisory firm. During September 2004, Mr. Rainford closed Sovereign Capital, Inc. and joined Sadler Capital Management. Beginning in August 2006, Mr. Rainford took over full management responsibilities through the acquisition of Sadler Capital Management, Inc. and changed the name to Sadler Rainford Capital Management, Inc. After two successful years of strengthening and transitioning Sadler Rainford Capital Management, Inc. Mr. Rainford changed the name to ClearWealth, Inc. to better reflect the growth and direction of the firm.

Michael James Fitzgerald, born May 29, 1979, in Albany, NY, graduated from Willamette University, Salem, Oregon, with a B.A. degree in Economics in 2001. Following graduation Mr. Fitzgerald worked for a landscaping company where he served in a management

position. Mr. Fitzgerald joined Blue Lakes Mortgage Company in 2006, where he served as a loan officer. In 2006, Mr. Fitzgerald joined Sadler Rainford Capital Management, Inc., to be later known as ClearWealth, Inc., passed his Financial Industry Regulatory Authority (FINRA) Registered Representative exam (Series 65) and further earned the Chartered Retirement Plans Specialist designation from the College of Financial Planning.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their custodian and/or broker-dealer, we provide quarterly reports summarizing account performance, transactions, balances, and positions.

## **Item 14 Client Referrals and Other Compensation**

### **CLIENT REFERRALS**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is ClearWealth's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.



Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

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

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required

to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts or is deemed to have custody or as disclosed above, is required to provide a copy of our firm's balance sheet, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. ClearWealth has no additional financial circumstances to report.

ClearWealth has not been the subject of a bankruptcy petition at any time during the past ten years.