



## Form ADV Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Soundmark Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 425-820-1769 or [info@soundmarkwealth.com](mailto:info@soundmarkwealth.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 Soundmark Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Soundmark Wealth Management, LLC is a registered investment advisor. Registration as an investment advisor does not require any certain level of skill or training.

## Material Changes (Item 2)

*This section of the brochure helps you quickly identify material changes from the last annual update.*

This version of Soundmark Wealth Management, LLC Form ADV Part 2 is in a new narrative format. Please review all parts of it because it describes important details about us and the services we provide.

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## **Advisory Business (Item 4)**

*This section of the brochure tells you about our business, including ownership, and a description of the services we offer.*

Soundmark Wealth Management, LLC is referred to in this document as “Soundmark Wealth Management”, “the Company”, “us”, “we”, or “our”. In this document we refer to current and prospective clients of Soundmark Wealth Management as “you”, “client”, or “your”. Soundmark Wealth Management, (previously, Pacific Asset Management LLC) was created in 1999 and is owned by its three principals, Todd Flynn, John Buller, and Bill Schultheis.

### **Types of Advisory Services**

#### Investment Supervisory Services

Some clients enter into a written Investment Advisory Agreement, where Soundmark Wealth Management and our investment adviser representatives provide asset management services on a continuous and ongoing basis guided by the individual needs of the client. Using the information provided by you, the investment advice provided to you is tailored to your individual situation. We regularly inquire about, and you are responsible for providing, information about your investment goals, time horizon, and risk tolerance. These investment supervisory services are generally not provided to your holdings or net worth but rather only to assets specifically designated by you and agreed to by us as managed assets.

#### Advice on Matters Not Involving Securities

Soundmark Wealth Management may from time-to-time provide advice on topics not involving securities. This advice may relate to insurance. Non-securities related advice is only provided to you upon specific written request and agreement between us. Not all clients receive this type of advice.

#### Financial Planning

Some clients are provided a written plan that may include a personal balance sheet and certain projections. Any reports, financial statement projections, and analyses are intended exclusively for your use in developing and implementing your financial plan. In view of this limited purpose, the statements should not be considered complete financial statements. Soundmark Wealth Management will not audit, review, or compile financial statements, and accordingly, we will not express an opinion or other form of assurance on them, including the reasonableness of assumptions and other data on which any prospective financial statements are based. It is likely that there will be material differences between projected and actual results because events vary and circumstances frequently do not occur as expected.

Our analyses will be highly dependent on certain economic assumptions about the future. Therefore, you should establish familiarity with historical data regarding key assumptions such as inflation and investment rates of return, as well as an understanding of how significantly these assumptions affect the results of our analyses. We may counsel you as to

the consistency of your assumptions with relevant historical data, but we will not express any assurance as to the accuracy or reasonableness of your specific data and assumptions. You are ultimately responsible for the assumptions and personal data upon which our procedures and projections are based. The financial plan assumptions and reports are primarily a tool to alert you to certain possibilities. The reports are not intended to nor do they provide any guarantee about future events including your investment returns. The implementation of the plan is solely your responsibility.

The planning and projections provided for some of our clients do not address all potential aspects of financial planning. Typically our planning and projections address retirement planning, college funding, and other specific planning services as addressed with the client. Risk management issues such as life, health, disability, and long-term care insurance may not be addressed and you are encouraged to seek professional counsel in these areas.

### **Types of Investments Used**

We consider many different types of securities when formulating the investment advice we give to you. If you come to us with existing investments, we evaluate them with respect to your financial goals, risk tolerance, and investment time horizon. Depending upon your situation, your account(s) managed by us may contain individual stocks, corporate and/or government bonds, mutual funds, or exchange traded funds ("ETFs"). In some situations we may recommend that insurance be part of your investment portfolio.

### **Tailored Services and Investment Restrictions**

We attempt to tailor your investment portfolio to your situation as you have described it to us. This is why it is so important that you let us know about changes to your financial situation, goals, or investment time horizon. You may impose restrictions on investing in certain securities or types of securities. You must clearly identify these restrictions in writing to us.

### **Assets Under Management**

As of December 31, 2010, Soundmark Wealth Management manages \$335,139,000 of client assets. Approximately \$323,313,333.00 is managed on a discretionary basis and approximately \$11,825,667.00 are managed on a non-discretionary basis.

## **Fees and Compensation (Item 5)**

*This section of the brochure describes how we are compensated for the services we offer.*

### **Compensation Methodology and Rates**

#### Assets Under Management

Some clients are charged for our asset management services based on a percentage of the assets being managed. The following fee schedule is a sample of our fee schedule for

investment supervisory services. Your specific annual fee arrangement will be described in the written Investment Advisory Agreement entered into between Soundmark Wealth Management and you. Investment advisory fees charged by us are negotiable at our sole discretion. All clients do not pay the same fee.

<b>Assets Under Management</b>	<b>Annual Rates</b>
\$0 to \$500,000	1.0%
\$500,001 to \$1,000,000	0.75%
\$1,000,0001 and greater	0.50%

The annual fee for our services is billed quarterly, in advance, based on the value of the account at the end of the quarter. If the management agreement does not span the entire quarterly billing period, the fee will be pro-rated based on the number of days the account is open during the billing period. Your account custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account. It is the shared responsibility of Soundmark Wealth Management and you to verify the accuracy of the fee calculation as the account custodian will not determine whether the fee has been properly calculated. See Item 12 – Brokerage Practices in this brochure for more information about your account custodian(s).

You may terminate the Investment Advisory Agreement without fee or penalty by providing written notice to Soundmark Wealth Management within five (5) business days from the execution of the agreement. Thereafter, either party may terminate the Investment Advisory Agreement by providing written notice. Any fees collected in advance of services being performed will be returned to you on a pro rata basis.

#### Householding of Accounts

Individual accounts for members of the same family, defined as spouses and dependent children, are “householded” and assessed fees based on the total balance of all family accounts under the management of Soundmark Wealth Management. Accounts for business entities and their related accounts, including those of the business owner, are assessed fees based on the account balances of all such related accounts.

Members, employees and immediate family members of Soundmark Wealth Management are not charged a management fee.

#### Fixed Fees

You may enter into an Investment Advisory Agreement where the fee for services is determined through negotiations and agreement between you and Soundmark Wealth Management. Fixed fees are not necessarily based upon the value of assets managed or time expended providing services. Fixed fees are normally agreed to for one year, then renegotiated and agreed to for future periods. If you are paying a fixed fee you may pay a fee higher or lower than one based upon the value of assets managed. In the event a fixed fee engagement is terminated, unearned fees will be returned to you on a pro rata basis.

### Valuation of Publicly Traded Securities

Publicly traded securities in your account(s) managed by us are held at the custodian that we recommend, but is ultimately chosen by you. We use the securities valuation provided by the independent qualified custodian for reporting and billing purposes. Publicly traded securities are usually valued as of the end of business on the last trading day of the calendar quarter.

### **How Clients Pay Advisory Fees**

Fees are generally deducted directly from your account. You may provide your qualified account custodian with written authorization to have fees deducted from the account and paid to Soundmark Wealth Management.

### **Other Types of Fees and Expenses**

In addition to the investment advisory fees you pay to us, you will pay transaction fees (commissions) to your custodian or broker-dealer for executing securities transactions and charges for special services elected by you or Soundmark Wealth Management. These fees may include:

- periodic distribution fees
- electronic fund and wire transfer fees
- certificate delivery fees
- reorganization fees
- account transfer fees (outbound)
- returned check fees
- international security transfer fees
- overnight mail and check fees
- Rule 144 transfer fees
- transfer agent fees

This list is not meant to be all inclusive. Any fee on a special service incurred by the client will be fully disclosed. Please refer to Item 12 of this document for an explanation of our brokerage practices.

### Investment Company Fees

Investment company funds (e.g., mutual funds or ETFs) that are held by you will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some funds pay 12b-1 fees, distribution fees, and/or shareholder service fees to broker-dealers that offer investment company funds to their clients. These fees affect the net asset value of the fund shares and are indirectly borne by fund shareholders such as you.

Some fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to

be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not to a broker. The SEC generally limits redemption fees to 2%. In most cases, the funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. While it is not the general practice of Soundmark Wealth Management to sell client's securities in a period that would generate a redemption fee we might do so if we believe the sale is in your best interests, or if fund shares must be redeemed to pay fees from the account.

A complete explanation of these charges is contained in the Prospectus and Statement of Additional Information for each investment company fund. You can get a prospectus through the investment company website, by telephone, or by mail.

#### Additional Compensation

Some of the owners of Soundmark Wealth Management and its Investment Advisor Representatives ("IARs") are also licensed as insurance agents. During the course of providing services to a client, they may recommend that you purchase, sell or hold an insurance product. Our IARs, when acting as insurance agents, will receive compensation usually based upon the size (premium amount) and/or type of insurance product. The receipt of the fees and commissions creates a financial incentive for the IARs to recommend one investment choice or insurance product over another. This incentive creates a potential conflict of interest between you and Soundmark Wealth Management where the IAR has an incentive to recommend investment products based on the compensation received, rather than on your needs. You acknowledge that the IAR and Soundmark Wealth Management will receive payment in addition to any investment advisory or financial planning fee(s) paid by you. To address these potential conflicts, we review the costs and expenses associated with investments selected for, or recommended to, you to assure that the costs incurred are reasonable with respect to the services provided. You have the option to purchase investment products that Soundmark Wealth Management may recommend through other brokers or agents not affiliated with us. In situations where an IAR will earn commissions on investments recommended in addition to investment advisory fees charged by Soundmark Wealth Management, the advisory fee is not reduced to offset the securities sales commission or markup. Any sales commissions earned are separate from and in addition to investment advisory fees you pay to Soundmark Wealth Management.

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

*This section of the brochure explains any performance-based fees we may charge you for and how they may be different from other clients' charges.*



## **Performance Based Fees**

Soundmark Wealth Management does not charge fees that are based upon a share of capital gains or capital appreciation of client assets.

## **Side-By-Side Management**

We provide investment advisory services to other clients in addition to you. Not all clients receive the same investment advice, nor do they pay the same fee. We strive to act in the best interests of each of our clients at all times.

## **Types of Clients (Item 7)**

*This section of the brochure describes who we generally provide our services to.*

### **Individuals**

Soundmark Wealth Management provides advisory services to a variety of types of clients including individuals, trusts, individual's pension plan accounts, and retirement plan trustees.

### **Organizations**

Soundmark Wealth Management also provides advisory services to foundations and endowments.

### **Pension Plans**

Soundmark Wealth Management provides advisory services to pension plans. These services include recommendations to the plan which are then approved by the pension plan sponsor. In some cases we will serve as a discretionary advisor to the plan. You are encouraged to ask your plan sponsor what services we are providing the plan.

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

*This section of the brochure explains how we formulate our investment advice and manage client assets.*

### **Methods of Analysis – Modern Portfolio Theory**

As part of our analysis of investments, we use a method called modern portfolio theory. Modern portfolio theory ("MPT") is a theory of investment that attempts to maximize an investment portfolio's expected return for a given amount of portfolio risk, when risk is defined as volatility of the value of the investment portfolio, or to minimize risk for a given level of expected return. We attempt to do this by carefully choosing the proportions of various assets in an investment portfolio.

MPT is a mathematical formulation of the concept of diversification in investing, with the aim of selecting an assortment of investment assets that has collectively lower risk than any individual asset. MPT models an asset's return as a normally distributed function (or more generally as an elliptically distributed random variable), defines risk as the standard deviation of return, and models a portfolio as a weighted combination of assets so that the return of a portfolio is the weighted combination of the assets' returns. By combining different assets whose returns are not perfectly positively correlated, MPT seeks to reduce the total variance of the portfolio return. MPT also assumes that investors are rational, markets are efficient, and that the future performance of investments will have some similarity to their historical performance. These assumptions are not guaranteed and might not come to pass. Past performance might not be indicative of future performance.

### **Methods of Analysis – Fundamental**

We analyze an investment by examining its publically available financial statements or reports, its management, competitive advantages, competitors, and markets. We attempt to identify investments that are selling for less than their intrinsic worth. Our fundamental analysis method is based upon the assumption that markets may misprice an investment in the short run but that the "correct" price will eventually be reached.

### **Investment Strategies**

Soundmark Wealth Management uses a buy and hold strategy and the use of diversified no load (index) or passively managed mutual funds to manage its clients' portfolios. Soundmark Wealth Management does not rely on active management of its clients' accounts. We feel this method is well suited for both taxable accounts and Qualified Retirement Accounts such as IRA's.

Soundmark Wealth Management primarily invests its clients' managed portfolios in no load (index) or passively managed mutual funds, ETF's and bond funds. The primary (index) passively managed mutual fund family used by Soundmark Wealth Management is currently DFA (Dimensional Funds Advisors).

### **Publications**

Soundmark Wealth Management provides a book to some of their clients that explains the investment philosophy of the company. This book was written by one of our managing members, Bill Schultheis, and is titled, *The Coffeehouse Investor*. His education and business background is described in Part 2B of this brochure.

### **Risks**

#### General Risks to Investing

Investing is not without risk, and involves the risk of loss of principal which you should be prepared to bear. We try to reduce risk by diversifying a portfolio across multiple asset classes.

Despite these strategies, historical evidence clearly shows that every asset class has experienced severe declines in value—sometimes sustained over many years—throughout several periods of time this century. Our strategies to minimize risk may not achieve that goal as the benefits of diversification decline if asset classes become more correlated.

As with any investment, you could lose all or part of your investments managed by Soundmark Wealth Management, and your account's performance could trail that of other investments.

#### Asset Class Risk

Securities in your portfolio(s) or in underlying investments such as mutual funds may underperform in comparison to the general securities markets or other asset classes.

#### Concentration Risk

To the extent that Soundmark Wealth Management recommends portfolio allocations that are concentrated in a particular market, industry or asset class, your portfolio may be susceptible to loss due to adverse occurrences affecting that market, industry, or asset class.

#### Equity Securities Risk

Equity securities are subject to changes in value that may be attributable to market perception of a particular issuer or general stock market fluctuations that affect all issuers. Investments in equity securities may be more volatile than other types of investments.

#### Growth Securities Risk

Growth companies are companies whose earnings growth potential appears to be greater than the market, in general, and whose revenue growth is expected to continue over an extended period. Stocks of growth companies or "growth securities" have market values that may be more volatile than those of other types of investments. Growth securities typically do not pay a dividend.

#### Issuer Risk

Your account's performance depends on the performance of individual securities in which your account invests. Any issuer may perform poorly, causing the value of its securities to decline. Poor performance may be caused by poor management decisions, competitive pressures, changes in technology, disruptions in supply, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors. Changes to the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

#### Management Risk

The performance of your account is subject to the risk that our investment management strategy may not produce the intended results.

#### Market Risk

Your account could lose money over short periods due to short-term market movements and over longer periods during market downturns. The value of a security may decline due to general market conditions, economic trends, or events that are not specifically related to

the issuer of the security or to factors that affect a particular industry or industries. During a general downturn in the securities markets, multiple asset classes may be negatively affected.

#### Passive Investment Risk

Soundmark Wealth Management may use a passive investment strategy that is not actively managed where we do not attempt to take defensive positions in declining markets.

#### Larger Company Securities Risk

Securities of companies with larger market capitalizations may underperform securities of companies with smaller and mid-sized market capitalizations in certain economic environments. Larger, more established companies might be unable to react as quickly to new competitive challenges, such as changes in technology and consumer tastes. Some larger companies may be unable to grow at rates higher than the fastest growing smaller companies, especially during extended periods of economic expansion.

#### Regulatory Risk

Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

#### Smaller Company Securities Risk

Securities of companies with smaller market capitalizations, historically, tend to be more volatile and less liquid than larger company stocks. Smaller companies may have no or relatively short operating histories, or be newly public companies. Some of these companies have aggressive capital structures, including high debt levels, or are involved in rapidly growing or changing industries, or new technologies, which pose additional risks.

#### Value Style Investment Risk

Value stocks can perform differently from the market as a whole and from other types of stocks. Value stocks may be purchased based upon the belief that a given security may be out of favor. Value investing seeks to identify stocks that have depressed valuations, based upon a number of factors which are thought to be temporary in nature, and to sell them at superior profits when their prices rise when the issues which caused the valuation of the stock to be depressed are resolved. While certain value stocks may increase in value more quickly during periods of anticipated economic upturn, they may also lose value more quickly in periods of anticipated economic downturn. Furthermore, there is a risk that the factors which caused the depressed valuations are longer term or even permanent in nature, and that there will not be any rise in value. Finally, there is the increased risk that such companies may not have sufficient resources to continue as ongoing businesses, which may result in the stock of such companies becoming worthless.

#### Small Firm Risk

We are reliant on research from Wall Street's leading firms—including hedge funds—to help us in our investment decisions. In addition, we do not have the financial resources that other, larger firms have to invest in market data systems or industry consultants to provide insight on specific companies or industries in which we may invest.

## **Disciplinary Information (Item 9)**

*This section of the brochure lists legal and disciplinary information for Soundmark Wealth Management, its owners, and management team.*

Neither Soundmark Wealth Management nor any of our owners or management team members has been involved in any civil or criminal investment-related events.

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

*This section of the brochure describes other financial services industry affiliations we may have that could present a conflict of interest with you.*

### **Certified Public Accounting Firm**

Soundmark Wealth Management is primarily engaged in the business of giving investment advice. Two of the three members of Soundmark Wealth Management are CPA's and employees of the accounting firm, Martin, Bircher, Buller & Flynn, P.C. From time to time, Martin, Bircher, Buller & Flynn, P.C. may refer a client to Soundmark Wealth Management or vice versa. No referral fees are paid to either party for this service.

### **Insurance Agents**

Soundmark Wealth Management's investment advisor representatives ("IARs") may provide advice about matters other than securities. Our IARs may also act as insurance agents. As insurance agents, they will receive compensation based upon whether or not, and in what amount, clients purchase insurance products through them.

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

*This section of the brochure describes our code of ethics, adopted pursuant to SEC rule 204A-1, and how we deal with client and related person trading.*

### **Code of Ethics**

We have adopted a code of ethics designed to prevent and detect violations of securities rules by our employees and affiliated persons. Our controls in this area focus upon securities transactions made by our employees that have access to material information about the trading of Soundmark Wealth Management. We will provide a copy of our code of ethics to clients or prospective clients upon request.

### **Material Financial Interest and Personal Trading**

From time-to-time the interests of the principals and employees of Soundmark Wealth Management may coincide with yours and other clients. Individual securities may be bought, held, or sold by a principal or employee of Soundmark Wealth Management that is also recommended to or held by you or another client. If potential insider information is

inadvertently provided or learned by a principal or employee, it is our policy to strictly prohibit its use.

It is the policy of Soundmark Wealth Management to permit the firm, its employees and investment advisor representatives (“IARs”) to buy, sell, and hold the same securities that the IARs also recommend to clients. It is acknowledged and understood that we perform investment services for different types of clients with varying investment goals, risk profiles, and time horizons. As such, the investment advice offered to you may differ from other clients and investments made by our IARs. We have no obligation to recommend for purchase or sale a security that Soundmark Wealth Management, its principals, affiliates, employees, or IARs may purchase, sell, or hold. When a decision is made to liquidate a security from all applicable accounts, priority will always be given to client orders before those of a related or associated person to Soundmark Wealth Management. In some cases the trades of the clients and advisory personnel will be combined in a single block trade, and all trades will receive the average price. We have procedures for dealing with insider trading, employee-related accounts, “front running” and other issues that may present a potential conflict when buy/sell recommendations are made. These procedures include reviewing employee security transactions and holdings to eliminate, to the extent possible, the adverse effects of potential conflicts of interest on clients.

## **Brokerage Practices (Item 12)**

*This section of the brochure describes how we recommend broker-dealers for client transactions.*

### **Factors Considered When Recommending Broker-Dealers**

We may suggest or recommend that clients use a particular qualified custodian and/or broker-dealer, typically Charles Schwab & Co., Inc. When we make this recommendation, we consider:

- reasonableness of commissions and other costs of trading
- ability to facilitate trades
- access to client records
- computer trading support
- other operational considerations

These factors are reviewed from time to time to assure the best interests of our clients are upheld.

### **Research and Other Benefits**

We may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. (“the Custodian” or “Schwab”), a registered broker-dealer, Member SIPC/NYSE, to maintain custody of clients’ assets and to execute trades for your account(s). The Custodian provides us with access to its institutional trading and operations services, which are typically not available to retail investors. These services are offered to independent

investment advisors at no charge in exchange for keeping a minimum amount of account assets at the Custodian. Schwab's services include research, brokerage, and custody. Schwab offers access to mutual funds and other investments that are available only to institutional investors or require a significantly higher minimum investment. The Custodian also makes other products and services available that benefit us but may not benefit our clients. Some of these other products and services help us manage and administer client accounts, and include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts)
- provide research, pricing information, and other market data
- facilitate payment of our fees from your account(s)
- help with back-office support, recordkeeping, and client reporting

These services may be used with all or a substantial number of clients' accounts, including accounts not maintained at the Custodian. We do not attempt to allocate the benefit to accounts proportionately to the accounts that generate the benefit.

Some of the products or services provided by Schwab do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, including those services that do not aid in investment decision-making or trade execution. These business management and development services, in addition to those listed above, may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the Custodian may use independent third parties to offer these services to Soundmark Wealth Management. Schwab may discount or waive fees it would otherwise charge for some of these business management and development services or pay all or a part of the fees of a third-party providing these services to us. Because we receive discounts, research, products, or services we may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research, products, or services, rather than on the client's interest in receiving most favorable execution. The Custodian or broker-dealer recommended by Soundmark Wealth Management may charge commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for services and benefits.

#### Directed Brokerage

If you direct Soundmark Wealth Management to execute securities transaction at a broker other than one we use for our other clients you will forgo any benefit from savings on execution costs that we may have obtained through our negotiation of volume discounts or batched orders. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. You may incur higher commissions, other transactions costs, greater spreads, or receive less favorable net prices, on transactions for your account than would otherwise be the case had you used a broker we prefer.

### Trade Error Policy

From time-to-time we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Soundmark Wealth Management will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

## **Review of Accounts (Item 13)**

*This section of the brochure describes how often client accounts are reviewed and by whom.*

### **Reviews**

Soundmark Wealth Management periodically reviews the securities held in its clients' investment supervisory accounts. The reviews are conducted by our investment advisor representatives. Your accounts are reviewed at least quarterly for proper asset allocation to assure they comply with your investment objectives and mandates. We also attempt to meet with you periodically to review any changes in your financial situation, needs, or investment objectives, as well as the performance of the portfolio.

An investment policy statement is also created by Soundmark Wealth Management for each client. The investment policy statement describes the allocation of your portfolio based on your financial objectives and investment needs. The investment policy statement is drawn up by the investment advisor representative after you agree to work with Soundmark Wealth Management and is signed by both Soundmark Wealth Management and you.

Financial plans are reviewed only upon request unless you retain us to update the plan on a continuous basis.

### **Reports**

Soundmark Wealth Management does not prepare or send written reports to all clients. We have arranged for your independent qualified account custodian to prepare and distribute account statements directly to you on no less than a quarterly basis.



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

*This section of the brochure discloses our arrangements with people who are compensated for referring us business.*

### **Referral Relationships**

Soundmark Wealth Management has not entered into any agreements with third parties to give or receive referrals for compensation.

## **Custody (Item 15)**

*This section of the brochure encourages you to check the statements sent to you by your account custodian to ensure the accuracy of the fee calculation.*

You have authorized us to deduct periodic investment advisory fees directly from one or more of your accounts managed by Soundmark Wealth Management. These deductions from your account are shown on the periodic statements sent by your qualified custodian directly to you. You are encouraged to review these statements carefully and compare the amounts on the custodian statements with any statements we send and the fee schedule outlined in your Investment Advisory Agreement.

Some clients of Soundmark Wealth Management have granted us the power or authority to access their funds or securities in conjunction with providing investment advisory services to them. These powers are deemed to give us custody of client funds or securities in these situations. We have implemented internal control procedures where we engage an independent certified public accounting firm to conduct an independent verification of the client funds or securities that we have custody over.

## **Investment Discretion (Item 16)**

*This section of the brochure discloses the power we have to make trades in your account.*

Most of Soundmark Wealth Management's clients grant a limited power of attorney to select, purchase, or sell securities without obtaining your specific consent within the account(s) you have under our management. The limited powers of attorney are granted in the written Investment Advisory Agreement entered into between us. There are no restrictions upon the securities that may be purchased, sold, or held in your account unless you provide these restrictions to us in writing.

Some of our clients request that we contact them and receive their consent before every security transaction placed in their account. Because of the requirement for pre-approval of transactions, trades in these non-discretionary accounts may be placed later than those in discretionary accounts or not at all if, in our opinion, a specific investment opportunity has passed.

## **Voting Client Securities (Item 17)**

*This section of the brochure explains our proxy voting policy and your ability to get proxy voting information from us.*

Soundmark Wealth Management will not vote proxies for securities held in your investment account. Your account custodian or transfer agent will send proxy statements directly to you. If the investment account is for a pension or other employee benefit plan governed by ERISA, you direct us not to vote proxies for securities held in the account, because the right to vote such proxies is expressly reserved for you or your plan fiduciary not Soundmark Wealth Management.

## **Financial Information (Item 18)**

*This section of the brochure is where investment advisors that collect more than \$1200 in fees per client, six months or more in advance would include a balance sheet.*

Soundmark Wealth Management is not aware of any circumstance that is reasonably likely to impair our ability to meet contractual commitments to you or our other clients.

### **Prepayment of Fees**

Soundmark Wealth Management does not require pre-payment of investment advisory fees of greater than \$1200 and never more than six months in advance.

## **Privacy Statement**

*We, like other professionals who advise on personal financial matters, are required by federal law to inform our clients of their policies regarding the privacy of client information.*

In the course of providing our clients with certain advice, we may receive nonpublic personal financial information such as financial statements, account statements, and tax returns from our clients, their accountants and other representatives. All nonpublic personal information that we receive regarding our clients or former clients is held in strict confidence in accordance with our professional obligations, and is not released to people outside the Core Investment Strategies, except with your consent, as required by law or to explain our actions to professional organizations that we are members of. We may share certain information with third parties who assist us in providing our services to you (such as administrative and client service functions) or marketing services, as permitted by law, subject to the obligation of these third parties not to use or disclose such information for any other purpose.

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases to comply with professional guidelines. In order to guard your nonpublic personal information from unauthorized disclosure, we maintain physical, electronic, and procedural safeguards.

If your financial situation, goals, or risk tolerance has changed since you last notified us in writing, please contact us immediately.