

**Firm Brochure**  
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of THE GWYNEDD COMPANY. If you have any questions about the contents of this brochure, please contact us at: 215-855-1630, or by GWYNEDD@GWYNCO.COM at: GWYNEDD@GWYNCO.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 THE GWYNEDD COMPANY is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

MARCH 1, 2011

## Material Changes

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 215-855-1630 or by email at: [GWYNEDD@GWYNCO.COM](mailto:GWYNEDD@GWYNCO.COM).

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# Advisory Business

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## **Firm Description**

THE GWYNEDD COMPANY, ("FIRM NAME") was founded in 1974.

THE GWYNEDD COMPANY provides investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of investment objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

THE GWYNEDD COMPANY provides investment advisory services on a fee-only basis. In this capacity the firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products, and is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted when the firm is functioning as an Investment Advisor.

THE GWYNEDD COMPANY also has an affiliated operation or brokerage that is in the business of selling annuities, insurance, or other commissioned products. THE GWYNEDD COMPANY is paid cash by or receives some economic benefit (including commissions) from a non-client in connection with providing brokerage services to clients. THE GWYNEDD COMPANY may directly compensate for client referrals. This is typically done by sharing commissions payable.

Investment advice is an integral part of financial planning. In addition, THE GWYNEDD COMPANY advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. THE GWYNEDD COMPANY does not act as a custodian of client assets. The client always maintains asset control. THE GWYNEDD COMPANY places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and / or investment advisory services may be beneficial to the client.

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**Principal Owners**

Edward J. Barnes is a 100% stockholder of The Gwynedd Company.

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**Types of Advisory Services**

THE GWYNEDD COMPANY provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; and by making use of technical subscriptions the firm issues special reports about securities, that may include charts, graphs, formulas, or other devices which clients may use to evaluate securities.

On more than an occasional basis, THE GWYNEDD COMPANY furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of December 31, 2010 THE GWYNEDD COMPANY actively manages approximately \$78,917,990 in assets for approximately 100 clients. Approximately \$0.00 is managed on a discretionary basis, and \$78,917,990 is managed on a non-discretionary basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client Investment Advisory Agreement. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships.

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**Financial Planning Agreement**

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for

changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement, and is 100% negotiable. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$150 - 200 per hour.

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### **Investment Advisory Agreement**

Most clients choose to have THE GWYNEDD COMPANY manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for Investment Advisory Services is provided to the client in writing prior to the start of the relationship. An Investment Advisory Agreement may include: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

The annual Investment Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

- 1.00% on the first \$1,000,000;
- 0.80% on the next \$1,500,000 (from 1,000,001 to 2,500,000); and
- 0.60% on the assets above \$2,500,000.

The minimum annual fee is \$500 and is negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Investment Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may



terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Tax preparation work may be performed as an integral part of the Investment Advisory Service Agreement. Eligible federal and applicable state returns are filed electronically without an additional fee.

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**Retainer Agreement**

In some circumstances, a Retainer Agreement is executed in lieu of an Investment Advisory Service Agreement when it is more appropriate to work on a fixed-fee or hourly basis. The fee for an assignment that would be governed by a Retainer Agreement is negotiable.

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**Investment Management Agreement**

An Investment Management Agreement may be executed when financial planning is not provided as part of the relationship. This is typical when advisory services are provided to a pension or profit sharing plan.

The annual Investment Management Agreement fee is based on a percentage of the investable assets according to the following schedule:

- 1.00% on the first \$1,000,000;
- 0.80% on the next \$1,500,000 (from 1,000,001 to 2,500,000); and
- 0.60% on the assets above \$2,500,000.

The minimum annual fee is \$500 and is negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

The annual fee for an Investment Management Agreement is negotiable.

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**Hourly Planning Engagements**

THE GWYNEDD COMPANY provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$150 - \$200.

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**Asset Management**

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond

trades. With one exception involving pension and profit sharing plans through Fidelity investments, THE GWYNEDD COMPANY does not receive any compensation, in any form, from fund companies. The exception to the compensation rule is where record keeping fees are paid by a mutual fund company to Fidelity Investments. These fees are forwarded to THE GWYNEDD COMPANY and are used to offset plan administrative fees charged by Fidelity Investments. In addition, any residual amounts collected over and above Fidelity Investments charges, are used to offset periodic increases in client annual record keeping expenses. The record keeping payments received do not influence the plan custodian or mutual fund recommendations made to the client by THE GWYNEDD COMPANY.

Suitable investments may include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) are not available through THE GWYNEDD COMPANY.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying THE GWYNEDD COMPANY in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, THE GWYNEDD COMPANY will refund any unearned portion of the advance payment.

THE GWYNEDD COMPANY may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, THE GWYNEDD COMPANY will refund any unearned portion of the advance payment.

## **Fees and Compensation**

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### **Description**

THE GWYNEDD COMPANY bases its fees on a percentage of assets under management.

As mentioned, some Retainer Agreements may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

All fees are negotiable.

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### **Fee Billing**

Investment management and investment advisory fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

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### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

THE GWYNEDD COMPANY, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Investment Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. The formula may be based upon gross income, gross assets and / or other financial considerations.

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to THE GWYNEDD COMPANY.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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### **Past Due Accounts and Termination of Agreement**

THE GWYNEDD COMPANY reserves the right to stop work on any account that is more than 60 days overdue. In addition, THE GWYNEDD COMPANY reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in THE GWYNEDD COMPANY's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## Performance-Based Fees

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### Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

THE GWYNEDD COMPANY does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Types of Clients

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### Description

THE GWYNEDD COMPANY generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or other business entities.

Client relationships vary in scope and length of service.

### Account Minimums

The minimum account size is \$50,000 of assets under management, which equates to an annual fee of \$500.

When an account falls below \$50,000 in value, the minimum annual fee of \$500 may be charged. Depending upon circumstances, THE GWYNEDD COMPANY will sign an Hourly Agreement with the client if assets have diminished significantly below \$50,000.

THE GWYNEDD COMPANY has the discretion to waive the account minimum. Accounts of less than \$50,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$50,000 within a reasonable time. Other exceptions will apply to employees of THE GWYNEDD COMPANY and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services will be assessed a \$500 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

# Methods of Analysis, Investment Strategies and Risk of Loss

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## Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that THE GWYNEDD COMPANY may use include Morningstar Workstation Advisor mutual fund or stock information, Fidelity Investments Advisor Channel, Charles Schwab & Company's "SchwabLink" service, Standard & Poors Investment Services, and the World Wide Web.

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## Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we may use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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## Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular

underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **Financial Industry Activities**

THE GWYNEDD COMPANY does not engage in other financial industry related activities, outside of those activities previously described that relate directly to providing investment advisory services to clients.

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**Affiliations**

THE GWYNEDD COMPANY may from time-to-time enter into arrangements that are material to its advisory or its clients. These arrangements are fully disclosed to our clients prior to the engagement. An example of such an arrangement would be with another investment advisory firm or pension consultant, where our services are unique and required by the client. These arrangements, where applicable, are documented in the form of a Solicitation Agreement with the related person who as mentioned could be another investment advisor, a financial planning firm, an accounting firm, a law firm or a pension consultant.

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

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**Code of Ethics**

The employees of THE GWYNEDD COMPANY have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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**Participation or Interest in Client Transactions**

THE GWYNEDD COMPANY and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the THE GWYNEDD COMPANY Compliance Manual.

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**Personal Trading**

The Chief Compliance Officer of THE GWYNEDD COMPANY is Edward J. Barnes. He reviews all employee trades each quarter. His trades are reviewed by Maryjane Kratz (Office Manager). The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Brokerage Practices**

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**Selecting Brokerage Firms**

THE GWYNEDD COMPANY does not have any business affiliation with specific brokerage firms. Custodian recommendations are made to Clients based on their need for such services. THE GWYNEDD COMPANY recommends custodians based on the proven integrity and financial

responsibility of the firm and the best execution of orders at reasonable commission rates.

THE GWYNEDD COMPANY recommends discount brokerage firms and trust companies (qualified custodians), such as Fidelity Investments, Charles Schwab & Co., The Vanguard Group and ETrade.

With the exception of the previously described record keeping reimbursement fees from Fidelity Investments (related to pension and profit sharing plans), THE GWYNEDD COMPANY does not receive fees or commissions from any of these arrangements.

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**Best Execution**

By selecting only top-tier custodians and brokerage firms who are scrutinized by government agencies, THE GWYNEDD COMPANY can rely on the Best Execution practices of each of the custodians utilized. THE GWYNEDD COMPANY does not receive any portion of the trading fees that may be charged to a client by a particular custodian.

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**Soft Dollars**

THE GWYNEDD COMPANY receives no soft dollar credits from any of the custodians that are recommended to clients. Soft dollar credits, or the provision of valued services for free (such as securities research, subscriptions, etc.) by a larger investment or custodial firm, have been determined to be influential and possibly not in the best interests of clients.

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**Order Aggregation**

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Review of Accounts**

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**Periodic Reviews**

Account reviews are performed at least annually by Ed Barnes and Jay Leader. Account reviews may be performed more frequently if market conditions dictate.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Regular Reports**

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the



likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. Investment Advisory Service Agreement clients, Investment Management clients, and Retainer Agreement clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, tax return (if the client requests tax preparation services), and a summary of objectives and progress towards meeting those objectives.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

THE GWYNEDD COMPANY has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### **Referrals Out**

THE GWYNEDD COMPANY does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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### **Other Compensation**

There are no other forms of compensation.

## **Custody**

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### **Account Statements**

All assets are held at qualified custodians (such as Fidelity Investments, Charles Schwab & Co. and The Vanguard Group), which means the custodians provide account statements directly to clients at their address of record at least quarterly.

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### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by THE GWYNEDD COMPANY.

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### **Net Worth Statements**

Some clients may be provided with net worth statements and net worth graphs that are generated from our client relationship management system.

Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

THE GWYNEDD COMPANY does not accept discretionary authority to manage securities accounts on behalf of clients. Trading in a client account may only proceed after obtaining specific client consent to the securities to be bought or sold, the amount of the securities to be bought or sold and the approximate date when the securities should be bought or sold. THE GWYNEDD COMPANY will consult with the client prior to a specific planned trade to obtain concurrence on a series of buys or sells.

The client approves the custodian to be used and the commission rates paid to the custodian. THE GWYNEDD COMPANY does not receive any portion of the transaction fees or commissions paid by the client to the custodian on trades.

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### **Limited Power of Attorney**

A limited power of attorney is a trading authorization that is executed with your account custodian (for instance Fidelity Investments) for this purpose. You sign a limited power of attorney so that we may execute the trades that you have pre-approved.

## **Voting Client Securities**

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### **Proxy Votes**

THE GWYNEDD COMPANY does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, THE GWYNEDD COMPANY will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Financial Information**

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### **Financial Condition**

THE GWYNEDD COMPANY does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because THE GWYNEDD COMPANY does not serve as a custodian for client funds or securities, and does not require prepayment of fees.

## **Business Continuity Plan**

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### **General**

THE GWYNEDD COMPANY has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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### **Loss of Key Personnel**

THE GWYNEDD COMPANY has a Business Continuation Agreement with The Leader Company to support THE GWYNEDD COMPANY in the event of Edward J. Barnes' serious disability or death.

## **Information Security Program**

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### **Information Security**

THE GWYNEDD COMPANY maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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### **Privacy Notice**

THE GWYNEDD COMPANY is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the

extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

THE GWYNEDD COMPANY requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

One of our representatives has a CFP® designation. Below is a description of the requirements to achieve this designation.

Certified Financial Planner (CFP®): Certified Financial Planners are licensed by the CFP® Board to use the CFP® mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP® Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

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### EDWARD J. BARNES - PRESIDENT

Education - Bachelor of Business Administration - Accounting (Temple University – 1975)

Date of Birth - January 22, 1954

Employment - President, Gwynedd Company (since 12/94)  
President, PartnerCare (3/93 – 12/94)  
Director, Compensation & Benefits, NovaCare (12/89 – 3/93)  
Director, Compensation/Benefits, SMS (12/88 – 12/89)  
Manager, Benefits & HRIS, CertainTeed (6/77 – 12/88)

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

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**JAY A. LEADER, CFP®**

Education - Penn State – (1959 – 1963)  
Date of Birth - May 6, 1941  
Employment - President, The Leader Company (1974 – present)  
Gwynedd Company since January, 2006  
Registered Rep, AXA Advisors (June, 2005 – November, 2005)  
Registered Rep, MONY Securities (May, 1972 – May, 2005)  
Registered Rep, Mutual of NY (November, 1963 – May, 2005)  
Disciplinary  
Information: None  
Other Business Activities: None  
Additional Compensation: None