



# **WNA WEALTH ADVISORS, INC.**

## **FORM ADV PART 2A BROCHURE**

**March 28, 2012**

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### **WNA Wealth Advisors, Inc.**

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This brochure is a disclosure document that provides information about the qualifications and business practices of WNA Wealth Advisors, Inc (WNA). If you have any questions about the contents of this brochure, please contact us at 630-455-0600. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about us is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for WNA Wealth Advisors, Inc. is 106792.

WNA Wealth Advisors, Inc. is a Registered Investment Advisor. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

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## **Advisory Business**

### **Form ADV Part 2A, Item 4**

#### **A. Describe your advisory firm**

WNA Wealth Advisors, Inc. (WNA) is located in Hinsdale, IL. We are a fee only investment advisory firm providing investment advisory and financial planning services to individuals and small businesses. We began serving clients on August 19, 1993. Bob Westrick is the 100% owner of the firm and President. Mike McCabe is Vice President and Chief Compliance Officer. Mary Beth McLean and Joe Feldmann are additional investment professionals who are employees of WNA. Bob Murphy and Tom Westrick are investment professionals who are affiliated with us as Investment Advisor Representatives (IAR). The six of us are considered supervised persons.

Attached to this Brochure is ADV Part 2B Brochure Supplement which provides more details and disclosures regarding us supervised persons, including information about our education, qualifications, and background.

#### **B. Describe the types of advisory services you offer.**

We offer the following types of investment advisory services:

- Design and management of investment portfolios for individuals and families (including trusts), companies, trustee directed company retirement plans, and not-for-profit organizations (i.e. our Individual Client business)
- Assistance for trustees of participant directed retirement plans with the selection and monitoring of the investment options made available to the Plan's participants (i.e. our 401(k) Plan business)
- Developing, monitoring, and managing non-discretionary model portfolios for participant directed retirement plans (i.e. 401(k) Plan business). This service involves us generally developing and monitoring asset allocations for three to six model portfolios using the investment options offered in the Plan. Participants in the Plan may then select to have their investments in the Plan allocated according to one of the model allocations rather than having to manage their own individual investment plan or asset allocation. Beginning in the summer of 2012, final Department of Labor regulations under ERISA Section 404(a)(5) will limit our ability to provide ongoing management of these non-discretionary model portfolios. While we anticipate still providing investment advisory services for non-discretionary model portfolios, we will no longer be able to automatically semi-annually rebalance participants' accounts to the models' target allocations. Rather, participants will be responsible for making their own rebalancing decisions and trades.

About 91% of our investment advisory services revenue comes from our Individual Client business. About 9% of our investment advisory services revenue comes from our 401(k) Plan business.

We also offer general financial planning services and recommendations. Typically, these services and recommendations involve the following general topics:

- Retirement planning –
  - Helping you determine how much savings will you need to accumulate in order to have a financially secure retirement
  - Assisting you in determining how much money you can expect to safely withdraw from your retirement savings each year without running out of money later in life
  - Guiding you in the positioning and investment of your retirement savings to achieve an appropriate balance between your wishes to protect your savings and your potential need to have your savings increase in value
- Social Security –
  - Discussing when is the best time for you and/or your spouse to begin receiving social security benefits
  - Helping you to better understand the various rules and calculations that influence you and/or your spouse's social security benefits
  - Assisting you in evaluating the income tax effects of various decisions you may make regarding your social security benefits
- Life, disability, and long-term care insurance –
  - Determining if you are adequately insured
  - Assisting you in understanding the cost of various types of coverage
  - Evaluating whether you should you keep, drop, or replace any existing insurance policies
- Investment education and general financial planning advice –
  - We encourage our individual clients to call us with questions related to their investments and financial planning issues.
  - For our 401(k) plan clients, we encourage participants to contact us if they have questions about the investment options offered in their Plan. They may also contact us if they want advice on their investment holdings not in the Plan.

We also provide limited investment advisory services (primarily record keeping and trust accounting services) for two participant directed 401(k) Plans whose participants have individual brokerage accounts at Charles Schwab & Co.

We also serve as the investment manager for one private equity fund. The private equity fund is organized as a limited liability company (LLC). WNA Private Equity Fund A, LLC is the name

of the private equity fund. We expect Fund A to remain in business at least until the end of 2014.

Typically, we use many of the following investment products when managing investment portfolios for you:

- Open and closed end mutual funds, including money market funds
- Certificates of deposit
- Individual bonds
- Exchange traded funds (ETF) and notes (ETN)
- Unit Investment Trusts (UIT) for bonds
- Stable Value Funds and Guaranteed Interest Contracts (GIC)
- Structured Notes

Currently, we do not use hedge funds or private equity funds (other than the one fund sponsored by us) in client portfolios though we may do so in the future.

The investment lineups for 401(k) Plan clients are generally limited to open end mutual funds, stable value funds and/or guaranteed interest contracts. Depending on your Plan's size and your interest, you may decide to let your Plan's participants invest in a self-directed brokerage account. A self-directed brokerage account option allows you to invest in individual stocks, bonds, certificates of deposit, ETFs, and other mutual funds not offered in the Plan's investment lineup. If you are investing in self-directed brokerage accounts, you make your own decisions on what investments to buy and you place your own trades with the broker/custodian holding your account.

Depending on specific circumstances, some of our Individual Client's portfolios include individual stocks and/or separately managed accounts. In general, we do not provide investment advice or monitoring services on any individual stocks held in your portfolio. This is typically because that specific investment was not recommended by us and/or we do not have expertise in evaluating and managing your position in an individual company's stock.

The recommended mutual fund, exchange traded fund, and exchange traded notes we purchase, sell, and monitor on your behalf are all no-load or load waived. This means that we are not paid, and you do not pay, a sales charge (i.e. commission) on your purchases and sales.

Many of the funds we use are not available to the general public. They are only available to you through us and other registered investment advisors or brokers.

We generally use a combination of active and passive investment managers when managing investments for Individual Clients or developing and monitoring portfolios for 401(k) Plan clients. An active fund manager seeks good investment performance by using their experience, investment philosophy, and their own specific strategies in determining which investments to buy, hold, or sell in their funds. A passive manager, on the other hand, seeks to have his fund's investment performance mirror, or track, the performance of a specific investment index or benchmark. An S & P 500 index fund, for example, seeks to match the return of the S & P 500 index, which is a widely accepted benchmark for tracking the performance of large U. S. based companies.

The specific investment recommendations we make to you and/or implement for you within each investment category are based on our analysis of investment manager performance and philosophy. We strive to select investment managers who ideally have provided investors with the following results compared to their peers:

- Better than average investment returns
- Lower volatility or risk
- Consistent investment philosophy
- Low expenses

We cannot guarantee that we will be successful in our efforts to select investments that will satisfy these criteria.

**C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

#### Individual Clients

Investment portfolios for our Individual Clients are generally designed, implemented, and monitored only after we discuss with you the following topics:

- Your financial goals for the portfolio (i.e. long-term growth, protection against loss, etc.)
- A timeline for how long you intend to maintain your portfolio with us (i.e. your investment time horizon)
- Your need to withdraw some or all of your money from the portfolio (i.e. your liquidity needs)
- Your plans to add money to your investment portfolio
- Your comfort and understanding of the various risks associated with investing in different types of investment securities

- How your past investment experiences influence your attitudes and behavior towards investing
- How appropriate and effective are your current investments
- Good or bad income tax effects related to holding or selling your existing investments
- How the current investment, economic, political, and tax environment affects or influences our investment recommendations and advice.

Our advisory services to Individual Clients are then tailored to your individual needs by:

- Preparing the paperwork needed to establish the appropriate number and type of accounts you need or want
- Preparing the paperwork needed to transfer your existing investments into the new investment accounts you have established with us
- Selecting an appropriate mix of investments based on your goals for balancing your desire for investment gains with the risks associated with investing
- Understanding your preference for receiving investment statements and other reports electronically (either through email or internet access) or through regular mail in paper form
- Determining your preferences for how often you would like to meet or have phone calls to discuss your investment portfolio and other financial matters

#### 401(k) Plan Clients

The investment lineup and model portfolios, if applicable, for our 401(k) Plan clients are generally designed, implemented, and monitored only after we discuss with you the following topics:

- We evaluate and review your Plan's current investment lineup, if any;
- We analyze the demographic makeup of your Plan's current participants and the investment options they are currently using;
- We determine how much you wish the Plan's participants to share in paying the Plan's investment advisory, record keeping, and administrative fees;
- We obtain input from you, the Plan's sponsor/trustee, regarding your preferences for the number and types of investment options and, if applicable, non-discretionary

model portfolios you would like to see made available to the Plan's participants.

Our advisory services to 401(k) Plan clients are then tailored to your Plan's needs by :

- Preparing the paperwork needed to establish the Plan's investment accounts and transfer Plan assets to the custodian we will be working with;
- Presenting to you our recommendations for your Plan's investment lineup including the asset allocation for any non-discretionary model portfolios you want us to monitor;
- Reviewing with you at least annually the performance and effectiveness of the investment options and non-discretionary model portfolios, if any, offered to your Plan's participants.

Both Individual Clients and 401(k) plan clients may impose restrictions on investing in certain securities or types of securities. We require that you discuss with us any restrictions you may want to impose, and that we both agree to any restrictions.

**D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

We do not offer nor participate in wrap fee programs.

**E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.**

As of December 31, 2011, the amount of client assets we manage equaled \$213,074,000. Of this amount, \$176,636,000 was managed on a discretionary basis for Individual Clients, \$33,938,000 was managed on a non-discretionary basis for 401(k) Plan clients, and approximately \$2,500,000 is considered managed on a discretionary basis as these dollars are invested in WNA Private Equity Fund A, LLC. The \$2,500,000 figure is the net approximate amount invested in the private equity fund including withdrawals and additional contributions. Because the company's owned in the private equity fund are private (i.e. not publicly traded), determining the actual current value of the fund's investments is impossible to determine.

## ***Fees and Compensation***

### **Form ADV Part 2A, Item 5**

#### **A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

Our compensation for investment advisory clients comes 100% from fees that are fully disclosed to you.

Whether you are an Individual Client or a 401(k) Plan client, our fees come from three sources:

- 1) Our one time initial set up or installation fee plus
- 2) A one-time and/or annual financial planning fee plus
- 3) Our ongoing investment advisory fee

The initial set up fee is a flat fee designed to compensate us for the additional up front work associated with bringing you on and getting you set up as a client. This fee generally ranges from \$0 to \$1,500 depending on the amount and complexity of work involved and the amount of assets on which we expect to provide ongoing advisory services. Generally, one-half of the initial fee is payable upon your becoming a client. The remaining portion is payable when we complete the initial set up work for your account.

The one-time and/or annual financial planning fee is designed to compensate us for extra financial planning services you may wish us to do for you. These services may include retirement income planning, evaluating and implementing a college savings program for your children or grandchildren, evaluating your social security options, etc. This fee generally ranges from \$0 to \$1,500 one time or annually depending on the amount and complexity of work involved and the amount of assets on which we expect to provide ongoing advisory services. Payment of this fee will be made under an arrangement that we both mutually agree to.

The ongoing investment advisory or monitoring fee is typically a percentage of the assets for which we provide investment advisory or other services. These fees are automatically deducted from your portfolio each quarter unless you pay them to us directly.

For Individual Clients, our general fee schedule as a percentage of the assets under management is as follows:

1.00% of first \$1,000,000 of Account's assets (\$5,000 minimum annual fee) plus

0.85% of next \$1,000,000 of Account's assets plus

0.75% of next \$3,000,000 of Account's assets plus

0.50% of Account's assets exceeding \$5,000,000.

In general, Individual Clients who began working with us prior to June 30, 2010 are subject to the following fee schedule as a percentage of the assets under management:

1.00% of first \$500,000 of Account's assets (\$4,000 minimum annual fee) plus

0.85% of next \$500,000 of Account's assets plus

0.75% of next \$1,000,000 of Account's assets plus

0.50% of Account's assets exceeding \$2,000,000.

For 401(k) Plan clients, our general fee schedule as a percentage of the assets under management is as follows:

0.50% to 0.80% of first \$250,000 of Account's assets (\$400 minimum annual fee) plus

0.50% to 0.75% of next \$250,000 of Account's assets plus

0.40% to 0.65% of next \$500,000 of Account's assets plus

0.35% to 0.50% of next \$1,000,000 of Account's assets plus

0.25% to 0.40% of next \$1,000,000 of Account's assets plus

0.25% to 0.35% of Account's assets exceeding \$3,000,000.

The exact fee schedule for a 401(k) Plan is ultimately determined by us, and agreed to by you, depending on the amount and complexity of work involved and the amount of assets on which we expect to provide ongoing advisory services.

For private equity fund clients, our compensation as Manager of the private equity funds comes from two sources. The first is an upfront fee of 2% to 3% on investors' initial and subsequent deposits to the funds to cover the fund's administrative expenses. The second is a 15% "success fee" on the gain of any investment that provides a 15% or greater annual internal rate of return to the investor for that specific investment.

More specific information on our fee schedules and methods of compensation is obtained by:

- Having conversations with us prior to becoming an advisory client,
- By reading the investment advisory agreement for Individual Clients and 401(k) plan clients, and
- By reading the offering documents for our private equity funds.

Our fees are generally not negotiable. If we do negotiate a lower fee with a client, it will typically be for large accounts or for accounts where Investment Advisor Representatives (IAR) Tom Westrick or Bob Murphy serves as the primary or assistant advisor.

Your fees are determined by us prior to us performing advisory services for you and must be agreed to by you in writing.

We have two clients for whom we provide non-discretionary investment advisory services on a flat fee basis. This billing and investment advisory service model is one that we will not likely offer to any future clients.

We make no guarantee that two clients having the same amount of assets under management for advisory services will pay the same amount of fees.

We may also do work for clients on other financial planning projects for a flat fee or hourly charge. Flat fee project costs will vary depending on the complexity and time involved in performing the requested service.

For projects billed on an hourly basis, our fee schedule typically ranges from \$75 to \$250 per hour depending on the following:

- Complexity of the work involved
- Which of our employees will be doing the work
- The time involved to complete the work

We will tell you our fees for completing these services prior to beginning work on them. The fee we quote to you may be a flat fee, a range of fee, or an estimate. The final fee paid to us by you will be agreed to by both of us in writing prior to the work being completed.

**B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

Our investment advisory fees are calculated and typically deducted automatically from your account each quarter. Each quarter's fee will generally be the greater of one quarter of our previously agreed upon flat annual fee or the quarter end value of your portfolio multiplied by one quarter of the agreed upon annual investment advisory fee percentage.

401(k) plan clients may elect to have their fee paid by the employer sponsoring the Plan rather than having it deducted from Plan assets. This type of arrangement must be agreed

to by both you and us.

Prior to any fees being deducted from your account, you will receive an invoice from us each quarter detailing how the investment advisory fee was calculated.

Fees for financial planning projects or other one of a kind type of projects may be paid to us directly by you or deducted from your investment portfolio. This decision on how to pay our fee will be agreed to by both of us prior to our completing our work for you.

**C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

In addition to the investment advisory fees you pay us, you also pay management fees and expenses if your are invested in:

- Mutual funds, whether open end or closed end
- Exchange traded funds (ETF) and exchange traded notes (ETN)
- Unit Investment Trusts (UIT)
- Structured Notes
- Hedge funds

These fees and expenses are described in each fund's prospectus.

If you are an Individual Client, you may also pay transaction costs on some investments purchased for your account. These charges are commonly called ticket charges, commissions, or trade away fees. They are generally assessed by the broker-dealer/custodian which has custody of your investments. These fees generally range from \$5 to \$50 per transaction. They are generally only assessed on investments with no internal expenses (such as individual bonds or individual stocks) or low fund management expenses (index funds or ETFs for example) where the custodian/broker-dealer receives no or very little compensation from the fund company. Our primary custodian for Individual Clients, Charles Schwab & Co, does not charge a custodial fee. We work diligently to control these types of expenses that are charged to your individual account.

For 401(k) Plan clients, transaction costs generally do not apply. Your account is, however, charged a custody fee by the custodian holding the Plan's assets. For further information about the custodians used for 401(k) Plan clients, please see section 12A. The custodial fee is deducted automatically from Plan assets or billed to you as Plan Sponsor if there are not enough revenue sharing dollars (see next paragraph) available to cover the fee. The

custodial fee will vary by custodian and will typically be a combination of a \$0 to \$500 flat annual fee and an annual fee of 0.06% to 0.07% of the Plan's assets.

Revenue sharing dollars are dollars credited back to the Plan's assets from the mutual funds' management fees which are not retained by the mutual fund family or manager. Not all funds used in your Plan may pay revenue sharing. Low cost index funds, for example, typically do not pay any revenue sharing. Revenue sharing dollars are first used to pay custodial and record keeping fees. Remaining revenue sharing dollars, if any, are then used as directed by you, as the Plan's trustee, to offset billed plan administrative expenses or to reimburse your participants' accounts for investment advisory or Plan administrative expenses previously deducted from participants' accounts.

Please read Section 12 of this brochure for more detailed information on our policies regarding the broker-dealer/custodian that we select for your account.

**D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

Our fees are billed to you in advance at the beginning of each quarter. Fees are calculated on the value of your accounts' assets as of the last day of the previous quarter.

You will receive an invoice from us at the beginning of each quarter detailing how the fee was calculated. You will receive this invoice prior to any fees being deducted from your account.

Either you or we may terminate our ongoing investment advisory relationship at any time for any reason. If we terminate our relationship with you, our investment advisory services will continue for twenty business days after you have been notified. This is done in order to allow you time to make alternative arrangements.

Any unearned fees to be refunded to you are calculated based on how many days are left in the quarter. We then determine if any fee refund will be credited back to your account or paid to you directly.

**E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.**

**1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will**

**recommend “no-load” funds.**

No clients of WNA pay any sales commissions or asset based sales charges to employees and Investment Advisor Representatives (IAR) of WNA on their assets managed by WNA. As explained in more detail in section 10.C. of this ADV Part 2A, IARs of WNA and Mike McCabe’s affiliated company, Retirement Programs Co., LLC, may have separate relationships with you that can create a conflict of interest due to the products and services being offered and/or how these individual IARs, Mr. McCabe, or Retirement Programs Co. are compensated.

In addition, Bob Westrick and his affiliated firm, WESTRICK & Associates, may have a separate relationship with you that can create a conflict of interest due to the products and services being offered and/or how Mr. Westrick is being compensated.

Bob Westrick and Mike McCabe are the managing members of the private equity fund offering. WNA also serves as the investment manager for the fund (WNA Private Equity Fund A, LLC). Your decision to invest or not to invest in a private equity fund may create a conflict of interest due to the compensation WNA, Bob Westrick, or Mike McCabe may receive as a result of your investment in the private equity fund.

Before entering into any transactions or agreements with you, these potential conflicts of interest are disclosed and discussed with you. These disclosures are generally done verbally and/or in written form by providing you this brochure and the attached ADV Part 2B Brochure Supplement. Our investment advisory agreement also makes additional written disclosures concerning these potential conflicts of interest.

Finally, Rob Barnes is an insurance professional we often recommend to you for most life and long-term care insurance consultation services and product purchases. Rob is not an employee of WNA. Rather, he is an independent insurance professional. As explained in more detail in section 10.C of this ADV Part 2A, if you were to purchase insurance products through Rob, a portion of any commission earned may be shared with Mike McCabe, Bob Westrick, or an IAR of WNA in their role as a licensed insurance professional employed by Retirement Programs Co. or WESTRICK & Associates. Any compensation that was to be received through this type of transaction or business relationship would be disclosed to you in advance.

Be aware that that the practice of accepting commission presents a potential conflict of interest and that it can give us an incentive to recommend investment products based on the compensation received, rather than on a client’s needs.

**2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.**

You have the right and the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with us.

**3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.**

Not applicable.

**4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.**

Not applicable.

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

**Form ADV Part 2A, Item 6**

**If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.**

As detailed in Section 5A, Mike McCabe and Bob Westrick may receive a “Success fee” if investors in a WNA private equity fund earn a 15% or greater annual internal rate of return on an investment in a private equity fund.

This can create a conflict of interest as it may encourage Mike or Bob to solicit clients to invest in the private equity funds. We address this potential conflict by:

- Verbally disclosing the potential conflict to potential investors
- Providing the potential investor with the funds’ offering documents
- Making it clear to potential investors that their participation in a private equity fund is completely voluntary

## ***Types of Clients***

### **Form ADV Part 2A, Item 7**

**Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

Types of Clients:

We generally provide investment advice to the following types of clients:

- Individuals
- Trusts
- Pension and profit sharing plans (including 401(k) Plans) that are trustee and/or participant directed
- Not for profit organizations

Conditions for Managing Accounts:

We generally impose a \$500,000 minimum account value per client before establishing a new client relationship. However, lower minimum client account values may be accepted on a case by case basis as determined by the owner and Investment Advisor Representatives (IAR's) of WNA. Lower minimum account values may also be accepted for clients who have previously purchased investment products registered with the Financial Industry Regulatory Authority (FINRA) for which employees or IARs of WNA have previously received commission based compensation. If commissions were paid previously, you may or may not receive a discount on your WNA fee. This is disclosed and discussed with you before you enter into an investment advisory agreement with us.

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

### **Form ADV Part 2A, Item 8**

**A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

Investing your money in investment securities involves risk of loss. We feel strongly that you must be prepared both emotionally and financially to bear that risk. The investment strategies we use on your behalf do not protect you from the risk of investment loss.

We utilize a variety of methods of analysis and investment strategies in designing and managing your investment portfolios. These methods and strategies include, but are not limited to, the following:

- We believe strongly in diversification. Therefore, the investment portfolios we manage for Individual Clients include exposure to a wide variety of investments. Similarly, the investment lineups and managed portfolios that we recommend and monitor for our 401(k) plan clients also utilize a wide variety of mutual funds. We believe in Modern Portfolio Theory (MPT) which strives to achieve a desired rate of return with the least amount of projected volatility.
- We do not believe in market timing, which is the practice of trying to consistently make purchases before investments increase in value and to sell investments before they lose value.
- In selecting investment managers for your portfolio, our goal is to generally select those that have consistently demonstrated the following characteristics and/or traits:
  - investment returns better than relevant industry averages and/or benchmarks
  - investment costs that are lower than relevant industry averages and/or benchmarks
  - consistent investment style and/or investment philosophy
  - manager tenure in excess of three years
  - a policy of providing informative and timely communications to us as your investment advisor
- We do the rebalancing trades for Individual Clients and recommend rebalancing trades for 401(k) Plan clients whose participants are utilizing non-discretionary model portfolios. For Individual Clients, rebalancing trades are typically done a few times a year to keep your portfolio's actual asset allocation in line with the agreed upon target allocation. For 401(k) Plan clients using non-discretionary models, rebalancing trades are recommended to be done twice per year. Currently we initiate the rebalancing trades. This summer, with the implementation of the DOL's ERISA 404(a)(5)

participant disclosure regulations, we believe that we will no longer be allowed to automatically rebalance Plan participants into the target allocation of their chosen non-discretionary model portfolio. Rather, participants will have to perform the rebalancing trades themselves manually or through an automatic rebalancing election provided by the Plan's record keeper (i.e. ABG or EFC).

- We strive to keep trading costs and fund management expenses low.
- For large initial and subsequent deposits made by you into your Individual Client account, we generally recommend spreading out the purchases of investments over a period of time, rather than investing all at once. This is an investment concept referred to as dollar cost averaging.
- For Individual Clients, we periodically discuss with you the performance of your portfolio, the trades we have made on your behalf, and changes and adjustments to the various investments we utilize in managing your portfolio. During these conversations and/or meetings we will also inquire as to changes in your personal financial situation, your reaction to recent and past investment market events, and your plans for making additional deposits into or withdrawals out of your account as your answers to these questions may lead us to adjust how we manage your investments.
- For Individual Clients, we pay attention to the impact that fund changes and trading have on your income taxes. While we are sensitive to income tax issues, we do not manage your portfolio with the primary goal being to minimize taxes on your investment income. Where possible and appropriate, we seek to lessen your taxes on investment income by using municipal bonds rather than taxable bonds, generally holding investments that are not tax efficient in your IRA and other tax-deferred accounts, and being careful to try and not have you incur short-term capital gains but rather have your capital gains be long-term since they are taxed at a lower rate.
- For Individual Clients, we provide you with detailed quarterly and annual performance reports. You also receive monthly statements from our custodian (generally Charles Schwab & Co.).
- For Individual Clients, occasionally we may make decisions to modestly alter the agreed upon investment strategy in response to market events, new investment products, or specific events related to your individual investment or financial planning situation. We refer to this practice of making temporary adjustments to your investment strategy as making a "tactical reallocation". Individual Clients where Investment Advisor Representatives (IAR) Tom Westrick or Bob Murphy serve as the primary or assistant advisor will have less of these tactical reallocations occur in their accounts. This is because they generally do not have access to the rebalancing software (known as Tamarac) used for accounts managed by WNA employees.
- Our Individual Clients must work with the custodian of our choice. That custodian is

Charles Schwab & Co. for nearly all Individual Client accounts. Schwab does not serve as the custodian for clients investing in college savings 529 Plan accounts.

- For 401(k) Plan clients, at least annually, we meet with you as the Plan fiduciary and/or trustee to review the performance, fees, and strategies of the various mutual funds offered in your Plan's investment lineup. We also review with you, and if necessary, make adjustments to the asset allocations of the non-discretionary model portfolios if those are being utilized in your Plan.
- For 401(k) Plan clients, generally we like your Plan's investment lineup to utilize some or nearly all mutual fund share classes that make revenue sharing payments to the Plan. These revenue sharing payments are used to offset a portion or all of the Plan's record keeping, custodial, and Plan administrative expenses. Some of these revenue sharing credits may also be used to offset a portion of our investment advisory fees. You may also choose to use for your Plan's investment lineup mutual fund companies and/or fund share classes that do not pay enough or any revenue sharing credits to offset administration, record keeping, custodial, and/or investment advisory expenses. We will then work with you to help you determine if you would like the company sponsoring the plan or the participants in the Plan to pay these costs and how they should be allocated to participants. If you choose to have these costs paid by the Plan's participants, then we will work together to determine if you want these charges paid equally by each participant or in proportion to the amount of money they have in their Plan account.
- The custodian for our 401(k) Plan clients is generally dictated to you and us by the choice of record keeper we choose to utilize. The recommendation of which record keeper to use for your Plan will be made to you by our affiliated firm, Retirement Programs Co., LLC in their role as your third party administrator and pension consultant. As the plan trustee and fiduciary, you will have final authority in determining which custodian and third party record keeping platform will be used for your Plan. If you select Alliance Benefit Group (ABG) as your third party record keeper, then the custodian used by ABG is generally Charles Schwab Trust Company. If you select Employee Fiduciary Corp. (EFC) as your third party record keeper, then the custodian used by EFC is generally MG Trust Company. The factors which will influence your choice of record keeper (and thus custodian) include investment, custodial, and record keeper costs, available investment choices, and record keeping services and amenities.
- All activity in the accounts of Individual Clients is reviewed daily by at least two members of our Investment Committee. All activity in the accounts of 401(k) Plan clients is reviewed and reconciled quarterly by either a member of our Investment Committee or a Retirement Programs Co. plan administrator.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant**

**or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

The investment strategies of diversification, dollar cost averaging, rebalancing, and tactical reallocation do not protect you from the risk of investment loss nor assure that you will have investment success.

Our making trades in your Individual Client account may subject you to trading costs and could trigger capital gain taxes.

Your decision to use our non-discretionary model portfolios in your 401(k) plan account does not guarantee any specific amount of investment success nor protect you or your plan's participants from the risk of investment loss.

Our approach to selecting the investment managers, products, and strategies that we use in managing your investments does not protect you from the risk of investment loss nor guarantee that you will have investment success.

**C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

The use of mutual funds and the other types of investment securities that we utilize in your portfolios does not protect you from the risk of investment loss nor assure you that you will have investment success.

The specific investment objectives and risks for most investments that we buy in your portfolio are explained in detail in these investments' prospectuses. Individual Clients receive a prospectus or an offer to view the prospectus online when we purchase an investment for you. Participants in 401(k) plans do not receive prospectuses but they are available for you to read and review at any time. You can access them online either directly through the fund family's website or through links available on your plan's record keeper website. We advise and encourage you to read prospectuses to better understand the investment strategies and risks involved with the investments we buy and sell for you when managing your portfolio. We also encourage you to ask us if you have any questions or concerns about the investments we make available and utilize in your portfolio.

## ***Disciplinary Information***

### **Form ADV Part 2A, Item 9**

**If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.**

**Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.**

**Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.**

**A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person**

**1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;**

None or not applicable.

**2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;**

None or not applicable.

**3. was found to have been involved in a violation of an investment-related statute or regulation; or**

None or not applicable.

**4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.**

None or not applicable.

**B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person**

**1. was found to have caused an investment-related business to lose its authorization to do business; or**

None or not applicable.

**2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority**

**(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;**

None or not applicable.

**(b) barring or suspending your firm's or a management person's association with an investment-related business;**

None or not applicable.

**(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or**

None or not applicable.

**(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.**

None or not applicable.

**C. A self-regulatory organization (SRO) proceeding in which your firm or a management person.**

**1. was found to have caused an investment-related business to lose its authorization to do business; or**

None or not applicable.

**2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.**

None or not applicable.

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

### **Form ADV Part 2A, Item 10**

**A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

Tom Westrick and Bob Murphy are Independent Advisor Representatives (IAR) of WNA Wealth Advisors, Inc. They also serve as registered representatives, on an independent contractor basis, of Comprehensive Asset Management and Servicing, Inc. (Comprehensive), 2001 Route 46, Suite 506, Parsippany, NJ 07054. Comprehensive is an independent broker-dealer. Their affiliation with Comprehensive began November 1, 2010.

**B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.**

None or not applicable.

**C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

Tom Westrick and Bob Murphy are Independent Advisor Representatives (IAR) of WNA

Wealth Advisors, Inc. They also serve as registered representatives, on an independent contractor basis, of Comprehensive Asset Management and Servicing, Inc. (Comprehensive), 2001 Route 46, Suite 506, Parsippany, NJ 07054. Comprehensive is an independent broker-dealer. As a broker/dealer, under Financial Industry Regulatory Authority (FINRA) rules, Comprehensive has a responsibility to supervise all investment-related activities of its registered representatives. Accordingly, Comprehensive has access to copies of the custodian statements (typically Charles Schwab & Co.) and other relevant information relating to your WNA account if you are a client of Tom Westrick and/or Bob Murphy. Comprehensive treats all such information as confidential. Comprehensive does not receive a portion of WNA Wealth Advisors, Inc.'s ongoing monitoring revenues as compensation for their filing and supervisory duties.

Mike McCabe and Bob Westrick were registered representatives of FINRA registered independent broker-dealers. Bob Westrick's independent broker-affiliation ended in September 2009. Mike McCabe's independent broker-dealer affiliation ended in November, 2010. As part of their transition away from being FINRA registered representatives, some clients of Mike McCabe and Bob Westrick have chosen to keep their investments with a FINRA registered independent broker-dealer (Comprehensive) and have become clients of Tom Westrick and/or Bob Murphy. Other former FINRA registered representative clients of Mike McCabe and Bob Westrick have chosen to move their investment accounts to WNA.

Bob Westrick is the sole owner and employee of WESTRICK & Associates located in Hinsdale, IL. WESTRICK & Associates is primarily involved in the following activities:

- Life insurance, disability insurance, and long-term care insurance sales and consulting
- Sales and servicing of fixed interest and group pension contracts
- General financial planning and investment advice

Clients of WNA may also have a relationship with WESTRICK & Associates or Retirement Programs Company, LLC. As employees or principals of these related firms, Bob Westrick or Mike McCabe may act as an agent and receive commissions on insurance products purchased. Mike McCabe may also serve as the pension consultant and Retirement Programs Company as the Plan's third party administrator on pension, profit sharing, and 401(k) Plans. Retirement Programs Company receives fees for providing third party Plan administration and consulting services.

Bob Westrick and Mike McCabe are also the managing members of one private equity fund. WNA serves as the investment manager of the fund. The private equity fund is organized as a limited liability company (LLC). WNA Private Equity Fund A, LLC is the name of the fund. Clients of WNA may also be investors in the private equity fund. As employees and as the managing member of the private equity fund, Bob and Mike may receive compensation for their efforts in managing this fund.

Mike McCabe and Bob Murphy are the owners and managing members of Retirement Programs Co., LLC, (RPC) also located in Hinsdale, IL. Tom Westrick is an employee of RPC. This business is primarily involved in the following activities:

- Pension plan consulting and design services for small business retirement Plans
- Third party administration services for small business retirement Plans
- Life insurance, disability insurance, and long-term care insurance sales and consulting
- Sales and servicing of fixed interest and group pension contracts
- General financial planning and investment advice
- Bob Murphy performs his registered representative services as the managing member of RPC. Tom Westrick performs his registered representative services as an employee of RPC.

The relationships between these related companies and you can create conflicts of interest. In such cases, we disclose to you that the services provided and any compensation received by employees or principals of WESTRICK & Associates, Retirement Programs Company, LLC, and the private equity fund are separate and distinct from the investment advisory activities of WNA. We fully disclose verbally all costs and potential conflicts of interest to you prior to any transactions and deliver to you appropriate disclosure documents including prospectuses, contracts, advisory agreements, etc.

The ongoing investment advisory fees paid by you to us may be affected by commissions previously paid to Tom Westrick, Bob Murphy, Mike McCabe, or Bob Westrick. The effect, if any, is that the investment advisory fees we charge you may be discounted by 10% to 50% from our regular fee schedule. This discount is sometimes offered on a subjective basis by Mike McCabe, Tom Westrick, or Bob Murphy in recognition that past sales charges (i.e. loads) and commissions were earned and paid to these advisors. The amount of any discount offered is fully disclosed to you and approved by you at the time you sign the WNA investment advisory agreement.

Finally, Rob Barnes is an insurance professional we generally recommend to you for insurance consultation services and product purchases. Rob is not an employee of WNA. Rather, he is an independent insurance professional. If you were to purchase insurance products through Rob, a portion of any commission earned may be shared with Mike McCabe, Bob Westrick, or an Investment Advisor Representative (IAR) of WNA in their role as a licensed insurance professional employed by Retirement Programs Co. or WESTRICK & Associates. The fact that any compensation was to be received through this type of transaction or business relationship would be disclosed to you in advance.

**D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.**

Not applicable.

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

### **Form ADV Part 2A, Item 11**

**A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.**

Our firm has a code of ethics for its employees and Investment Advisor Representatives to follow. The purpose of the code of ethics is to provide guidance to employees and rules for them to follow in striving to treat existing and prospective clients fairly and appropriately. A copy of WNA's code of ethics will be provided to any client or prospective client upon request.

**B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

**Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.**

We have approached and even recommended to some of our clients that they invest in a private equity fund that we sponsor and manage. There has never been, nor would there ever be, a requirement or other type of arrangement enticing you or any other existing or prospective client to invest in one of our private equity funds.

The fees, compensation, and other payments paid to WNA, or directly to Mike McCabe and Bob Westrick in their roles as the Class B Members of the private equity funds which they have created, create a conflict of interest between you and us. This conflict exists because we (either WNA or Mike McCabe and Bob Westrick as WNA's employees and/or general partners of the fund) may earn additional compensation due to your investment in a private equity fund. We disclose these conflicts of interest to you both here and in the private equity fund's offering and subscription agreements. These offering and subscription agreements are distributed to all prospective investors for your use in independently evaluating whether or not you want to participate in the private equity fund.

**C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

The owner, investment adviser representatives, and employees of WNA Wealth Advisors, Inc. (We) will, on a periodic basis, buy and sell mutual funds and other securities for our own personal accounts. These securities will often be the same ones we recommended to you. We may use these securities for a variety of purposes such as near-cash substitutes (short-term bond funds, for example) and long-term capital appreciation (growth funds for retirement funding).

We may routinely reduce or completely sell our position in specific investments because we need cash or for other personal reasons not related to the current, past, or expected future performance of the particular investment. The trades we make will not generally be disclosed to you unless these trades could reasonably be expected to affect the overall trading and pricing of a particular investment. In such cases, we may not buy or sell any such security prior to a trade(s) being implemented for a client(s) account, thereby preventing us from benefiting from transactions placed in our clients' accounts.

**D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

We believe the personal trading in the following types of investment securities does not create a conflict of interest:

- Open end mutual funds
- Widely traded individual stocks
- Widely traded Exchange Traded Funds (ETFs) and Exchange Traded Notes (ETNs)
- Widely traded closed end funds
- Widely traded Unit Investment Trusts (UITs)

For transactions in investment securities where we reasonably expect that our trading may affect the overall trading and pricing of a particular investment, we may not buy or sell that security prior to a trade being implemented for your account. The purpose of this restriction is to prevent us from possibly benefiting from transactions being done in your account.

## **Brokerage Practices**

**Form ADV Part 2A, Item 12**

**A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**

Individual Clients

If you are an Individual Client and want us to manage your investment portfolio, we currently recommend and require that you use the Institutional division of Charles Schwab & Co., Inc. (Schwab) as your custodian and broker-dealer for nearly all of your investments.

We choose to work with Schwab for the following reasons:

- They offer an extensive selection of available investment managers and competitive fee structures for accessing these managers. Many of these fee structures are lower than those available to retail customers of Schwab while some investment managers may also not be available to retail customers of Schwab.
- Their back office assistance and technical capabilities (website, daily electronic transaction files, trading platform, fee collection, alliances with other software vendors we use) greatly assist us in efficiently managing your investments and our business.
- They offer us good pricing on the services they offer and provide to us.
- We believe the commissions and fees they charge you are reasonable and fair.
- They provide you and us with quality and responsive service.
- They provide us with discounts on UPS shipments and some software programs.
- They provide us with free or discounted prices on technical and compliance publications, including newsletters and research reports.
- They provide us access to free or discounted fees for attending industry conferences and fund manager presentations.
- They have local customer service branches which allow us to help serve you better.
- We believe they are financially strong, are trustworthy, and that they have a good business reputation. We feel these qualities provide you with peace of mind regarding the security and safety of your investments.

We periodically evaluate the reasonableness of what Schwab charges you and us for the services and benefits they provide. We also make efforts to follow trends in our industry to evaluate Schwab's competitors and to hear about new offerings and services.

If you are an Individual Client, we may use Bernardi Securities of Chicago, Illinois as the broker-dealer when we buy individual municipal bonds or taxable corporate bonds for your portfolio. We use Bernardi Securities because of their expertise in and inventory of local municipal bond issues. We periodically review Bernardi Securities' commission rates to confirm that they remain competitive versus other municipal bond brokers. We may also use other independent broker-dealers when purchasing bonds for your portfolios if we don't purchase them through Schwab or Bernardi Securities. The primary factors that determine which broker-dealers we will use for your bonds or other securities' purchases are:

- A low and fair price that you will be charged for the investment (known as best execution)
- The availability of appropriate investments for you
- The interest the broker-dealer has in bidding on bonds to be sold
- The quality of customer service and support offered by the broker-dealer

We, not you, determine which broker-dealer we will use when we buy or sell bonds and other investment securities for your portfolio. Our use of this additional broker-dealer, rather than Schwab, may cause you to pay a markup higher than if the trade were placed directly with Schwab. In addition, Schwab charges a \$25.00 trade away fee to process such transactions.

#### 401(k) Plan Clients

If you are a 401(k) Plan client, your custodian/broker-dealer will be either MG Trust Co. (also know as "Matrix") or Charles Schwab Trust Company. Whether Schwab or MG Trust Co. is the custodian/broker-dealer of your company's 401(k) Plan's assets is generally determined by the record keeper you select for your company's Plan. Alliance Benefit Group (ABG) prefers to use Schwab as the custodian. Employee Fiduciary Corporation (EFC) prefers to use MG Trust Co. In its role as your third party administrator and pension consultant, Retirement Programs Co (RPC) will recommend to you the record keeper to use for your Plan. You will have the final decision as to which record keeper and custodian/broker-dealer to use for your company's 401(k) Plan. We are not involved in the selection of the custodian/broker-dealer for your company's 401(k) Plan. We are also not involved in determining the reasonableness of the custodial fees charged by Schwab Trust Company and Employee Fiduciary Corporation on 401(k) Plan business. This is because we are not involved in the selection of your plan's third party record keeper and, therefore, we are also not involved in the selection of your custodian/broker-dealer.

### Private Equity Fund Client

If you are an investor in one of our private equity funds, we have chosen Millennium Trust Company as the custodian of your funds invested in the private equity funds and the investments purchased in the fund. Millennium Trust Company was chosen as custodian for the following reasons:

- They are independent of and not affiliated with us
- They are located in Oak Brook, Illinois, near our offices
- Their custodial and trading fees are reasonable
- They have experience in these types of private placements
- They have a good business reputation

We are independently owned and operated. We are not affiliated with Charles Schwab & Co., Bernardi Securities, Inc., Employee Fiduciary Corporation, Charles Schwab Trust Company, or Millennium Trust Company.

**1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions (“soft dollar benefits”), disclose your practices and discuss the conflicts of interest they create.**

As previously disclosed in Question 12.A., we do benefit from the publications, software, and back office support that we receive from Schwab. We also benefit from industry commentary and bond market research and insights we receive from Bernardi Securities and other broker-dealers that we may use for bond purchases. We also benefit from economic and industry research and commentary we receive from some of the fund managers we use. While the monetary value of these services and products is not significant, we do feel that these services and products enable us to better manage our business and manage your portfolio more efficiently and effectively.

In addition, we sometimes receive direct and/or indirect payments from Charles Schwab & Co., and/or a few mutual fund firms with whom your assets may be invested. These payments are typically monetary reimbursement for the following:

- Our travel and lodging costs for attending educational seminars
- The food, drink, and venue costs associated with our holding client appreciation social and informational events.

While receiving these reimbursements poses a potential conflict of interest, we do not let that

unduly influence either the investments or the custodian/broker-dealer we use in managing your investments.

As a fiduciary, we strive to act in your best interest. However, our requirement that you maintain your assets in accounts at Schwab, Millennium Trust Co., and/or MG Trust Co. creates a potential conflict of interest. This conflict exists because we benefit from access to products, services, and cash reimbursements from these providers of services to you and us.

**a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.**

We do not use commissions or markups and markdowns to obtain research or other products or services. However, we do receive the benefits described previously in this Item 12 because our custodians/broker-dealers and fund companies are receiving compensation from your assets that we have invested with these entities on your behalf.

**b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.**

Our requirement that clients use particular broker-dealers is done so we can efficiently and effectively manage your investments and our business. Our business runs more efficiently due to our receipt of the soft dollar and cash reimbursements discussed previously in this section 12. Our requirement to use particular broker-dealers is not based on our interest in you receiving the most favorable execution on your investment purchases and sales.

**c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.**

For Individual Clients, you may pay brokerage commissions to Schwab, Bernardi, or other brokers in excess of those which other discount brokers might have charged for effecting the same transactions.

For 401(k) Plan clients, Schwab Trust Company's custodial fees are slightly higher than MG Trust Co., however, Schwab Trust Co. clients generally receive more in revenue sharing dollars than MG Trust Co. See Section 5.C for additional information on revenue sharing dollars. 401(k) Plan clients may pay custodial fees in excess of those charged by other 401(k) Plan custodians.

**d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.**

We use soft dollar benefits to service all of our client's accounts. We do not seek to allocate soft dollar benefits to client accounts proportionally to the soft dollar credits the accounts generate.

**e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.**

Not applicable. No products or services were acquired with client brokerage commissions, markups and markdowns.

**f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.**

Not applicable. We did not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

**2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.**

We formerly participated in the Schwab Advisor Network program through the end of 2006. See Section 14.B below for further information on this program. If you are a client obtained through this program, we will most likely continue to execute transactions for your account with Schwab. This creates a possible conflict of interest as the terms of this program make it less likely that we would consider moving you to a broker-dealer other than Schwab because Schwab would charge us a fee to do so.

**a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.**

Not applicable. We have no incentives in place to select or recommend a broker-dealer because we may receive referrals for doing so.

**b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.**

Not applicable.

**3. Directed Brokerage.**

**a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a**

**material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.**

Not applicable. As we have disclosed previously in this Section 12, while we require our clients to use our recommended custodian/broker-dealer in order to work with us, we do not direct brokerage.

Schwab provides us with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors like us so long as a total of at least \$10 million of our clients' assets are maintained in accounts at Schwab Institutional. We are not, however, committed to Schwab for any specific amount of business (assets in custody or trading).

You may pay more in brokerage commissions to Schwab, Millennium Trust Co., MG Trust Co or other brokers that we might use than you may pay to other discount brokers for the same transactions. As we disclosed previously, the cost of services and products offered to us by these companies are not significant. However, the cost savings and resulting efficiencies do influence us to select them as the recommended broker and custodian for your accounts. These firms are selected as your custodian and broker only with your consent. Your consent is given by signing the custodian's written brokerage application and/or related forms.

**b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.**

Not applicable.

**B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

We generally do not aggregate orders as the opportunity to do so is not readily available to us to be used efficiently, particularly in that we are typically buying or selling bonds, stocks, closed end funds, or ETFs for only a single or a few clients on any given day. Not aggregating orders results in you paying the full commission, markup, or markdown on your order instead of possibly aggregating the orders of all clients and spreading the commission, markup, or markdown amongst the orders of more than one client.

## **Review of Accounts**

### **Form ADV Part 2A, Item 13**

**A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

We review client accounts periodically.

We do not generally review financial plans unless you have an agreement with us to provide that service for you. Generally, this review will be done for an additional fee that you have agreed to in advance before the work is completed.

Client accounts are reviewed by at least two members of our Investment Committee which is comprised of our supervised persons. Our supervised persons are the investment professionals who are employees of WNA and Investment Adviser Representatives of WNA. For further information on these people, please read the attached Form ADV Part 2B, Brochure Supplement.

The type and frequency of client reviews will differ, depending on whether you are an Individual Client or 401(k) plan client.

#### Individual Client

For Individual Clients, reviewing your accounts includes the following activities:

- Each day at least two supervised persons review all activity in your account.
- Generally, each day one of our administrative assistants and at least one supervised person verify the accuracy and completed status of all trades occurring in your account the previous day.
- At least semi-annually, clients accounts are reviewed by a supervised person to evaluate whether or not specific trades need to be made in your account to
  - Rebalance your portfolio to our agreed upon asset allocation
  - Raise cash for upcoming withdrawals
  - Invest deposits made into the account
  - Reposition your investments amongst the various investment managers and types of investments that we believe should be held in your account
  - Adjust the amounts and types of investments you hold in response to market events, changes in your financial situation, or changes in your investment objectives.

- Our investment committee meets quarterly to review the investment performance, expenses, and continued suitability of the recommended investment managers and securities we use in your accounts. When we believe it is warranted, changes are made and new investment managers are added or removed from our approved list. In general, the investment securities held in your account will be those approved by our investment committee. However, there may be investments held in your account that are not approved by the Investment Committee. This is most likely to be true if you are a client of Tom Westrick or Bob Murphy.
- At least two supervised persons review your account's quarterly and annual performance reports to ensure their accuracy before being delivered to you.
- Generally, at least annually, we will have a meeting in person or on the telephone with you to:
  - Discuss your account's investment performance
  - Review your investment objectives
  - Obtain further information about recent or upcoming financial or other events that may or should influence how we position and/or manage your investments

#### 401(k) Plan Client

For 401(k) Plan clients, the review of your account activity is generally the responsibility of one supervised person. Our review of your account includes the following activities:

- We prepare quarterly reports for you as Plan trustee that present the performance information for the investments making up your Plan's investment lineup. This information is presented in a manner that is appropriate for you to share with your Plan's participants if you wish to do so.
- If your Plan is using our non-discretionary model service, currently we have the Plan's record keeper make semi-annual rebalancing trades in the accounts of participants investing in the non-discretionary model portfolios. The purpose of the rebalancing trades is to realign participants' investment percentages back to the target percentages for each fund used in the model portfolio. We have authorized these semi-annual trades at a time of our choosing, typically in late June and late December. With this summer's effective date of the new ERISA 404(a)(5) participant disclosure regulations, we will no longer be able to automatically rebalance the accounts of participants using the non-discretionary model portfolios. Rather, participants will have to initiate the rebalancing trades manually themselves or elect to utilize the Plan record keeper's automatic rebalancing feature.
- At least annually, we will review with you the performance of the Plan's investment options, including a review of their expenses, investment objectives, and comparison of their performance with industry peers and other relevant benchmarks. This review will generally include both written and oral information. As we, or you, deem it appropriate or necessary, we will make recommendations for changes in your Plan's investment lineup

and assist in implementing any approved changes.

- Our investment committee meets quarterly to review the investment performance, expenses, and continued appropriateness of the recommended investment managers and securities we use in your accounts. When we believe it is warranted, changes are made and new investment managers are added or removed from our approved list. In general, the investment funds offered in your plan will be those approved by our investment committee. However, there may be funds offered in your plan that are not approved by the investment committee.
- At least annually, we will review the targeted asset allocation percentages for your Plan's non-discretionary model portfolios if that service is being used. We will recommend and implement changes that we feel are appropriate or necessary. We will consult with you and obtain your approval prior to making any changes.
- We will provide over the phone or in person investment advice and education to your Plan's participants as they request our assistance. Our advice will generally be educational and informational. We do not intend to take, and we do not accept, responsibility for managing a participant's Plan account. Rather, we intend to provide investment guidance, information, and education to your Plan's participants so that they can make their own informed decisions as to how they should invest their Plan and/or other personal investments.

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

In addition to account reviews discussed in Item 13.A above, other factors that may trigger us to review your Individual Client account include:

- Your request for specific information or having a question regarding your account
- You requesting an in person or over the phone meeting with us
- You making an unscheduled or unexpected deposit into or withdrawal from your account
- You asking us to make your account more or less risky
- We make a change to our approved investment securities list
- We determine that certain types of trades or investment strategy changes need to be done on an overall basis in some, many, or all of our clients' accounts

**C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

### Individual Client

If you are an Individual Client and we provide you with ongoing investment management services, you receive the following regular written reports:

- Quarterly reports from us that illustrate both overall portfolio and individual investment performance, all account activity, current market values, and your asset allocation
- Monthly reports from your custodian (typically Charles Schwab & Co.) that illustrate the change in account value, current market values and all account activity in your accounts

These individual client reports are available for you to receive in paper or electronic format. The choice is yours. By electronic format we mean that they are either sent to you via email or are available for you to view and/or print by accessing our website ([wnawealth.com](http://wnawealth.com)) or the website of Charles Schwab & Co. ([schwaballiance.com](http://schwaballiance.com)). We encourage you to sign up to receive electronic delivery because it is more cost efficient for us to send reports to you electronically. Receiving reports electronically from Schwab may also lower the commissions and/or transaction fees they charge you for trades made in your account.

Additional reports involving your accounts can generally be viewed and printed by accessing our website. These reports typically provide weekly information regarding your investment holdings, year to date investment performance, and year to date capital gains or losses. Access to these website reports is typically not available if you are a client of an IAR of WNA.

### 401(k) Plan Client

If you are a 401(k) Plan client and we provide you with ongoing investment advisory services, you receive the following regular reports:

- Quarterly, and during our annual meeting with you, we provide you with a written report that presents the performance information for the investments making up your Plan's investment lineup. This report also contains relevant information on the Plan's investment options expenses and compares their investment performance to relevant industry benchmarks.
- Quarterly and annually a report from the Plan's third party record keeper (Alliance Benefit Group, Inc. or Employee Fiduciary Corp.) and third party administrator (Retirement Programs Co., LLC) detailing your Plan's investment holdings, participants' account activity, and participants current account values.

These 401(k) Plan client reports are provided to you on paper. They are generally not available to you in electronic format.

## ***Client Referrals and Other Compensation***

### **Form ADV Part 2A, Item 14**

**A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**

Not applicable other than as described in item 12.A as it relates to our affiliation with Charles Schwab and Company.

**B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.**

We have written agreements with unaffiliated Solicitors where we agree to compensate them for referring clients to us. The compensation we pay to the Solicitor generally begins at the time we charge you your first ongoing monitoring investment advisory fee. The solicitation fee we pay is uniquely negotiated with each Solicitor. The fee paid is one of the following:

- A single lump sum
- Installments over a one to three year period
- An ongoing amount

The single lump sum solicitation fees equal approximately one-half of one percent of the client's initial assets invested with WNA. The solicitation fees paid on an installment or ongoing basis will generally range between 10% and 25% of the investment advisory fees we receive. The exact terms of each solicitation agreement are mutually agreed to by the Solicitor and us.

Solicitation fees paid by us to a Solicitor have no effect on the fees we charge you. We do not charge clients referred by a Solicitor fees or costs greater than what we charge clients with similar portfolios who were not referred by a Solicitor.

Before a Solicitor is paid their first solicitation fee, we and the Solicitor will enter into a written agreement describing the compensation arrangement and the activities the Solicitor can perform with respect to his solicitation activities on behalf of us. As part of this written agreement, we limit the Solicitor's solicitation activities to generally describing our services and fees and distributing our Form ADV Part 2A and 2B and any other marketing/promotional literature authorized by us.

Finally, if you are a client referred to us by a Solicitor, you, us, and the Solicitor must sign a Solicitor Disclosure Statement. This statement discloses to the you the following:

- The relationship between us and the Solicitor
- An estimate of the compensation we will pay to the Solicitor
- The Solicitor will have no role in managing your account
- The fee paid to the Solicitor by us will have no effect on the fees we charge you

We, or the Solicitor, must provide you this Solicitor Disclosure Statement prior to, or at the initiation of, your investment advisory relationship with us.

## ***Custody***

### **Form ADV Part 2A, Item 15**

**If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.**

We do not have custody of your assets if you are an Individual Client or a 401(k) Plan client.

For all clients, we do urge you to compare the account statements you receive from your custodian (Charles Schwab & Co., Millennium Trust Co., 529 Plan custodian, etc.) to the performance and holdings reports you receive from us. Please notify us and/or the custodian of any discrepancies that you discover or identify.

If you are an investor in WNA Private Equity Fund A, LLC, the Securities and Exchange Commission (SEC) has determined that we have custody of your investment in the Fund even though we use the services of an independent custodian (i.e. Millennium Trust Company). This is because, as manager of the Fund, we have the ability to instruct Millennium as to how to allocate contributions and withdrawals from the Fund amongst investor's accounts and to direct that distributions from the account be sent to investors' addresses or other investment accounts in their names.

We will comply with the custody rule by having the following items done:

- The funds financial statements are being audited by an independent CPA registered with the Public Company Accounting Oversight Board for the years 2008 through 2011
- The audited financial statements and auditor's report will be mailed or emailed to the fund's investors in the spring of 2012 when the audit report is completed
- For years 2012 and beyond we will have the same auditing firm conduct a surprise annual independent verification of the Fund's assets.

## ***Investment Discretion***

### **Form ADV Part 2A, Item 16**

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

For Individual Client accounts, we require prior written discretionary authority from you. This authority allows us to determine, without obtaining your specific consent, the securities and amounts to be bought or sold in your account. However, our authority is limited to investment transactions that are in accordance with your previously agreed upon investment objectives and restrictions.

You give us authority to have discretionary control over your investments by:

- Initialing the specific section related to this topic in our investment advisory agreement
- Initializing the specific section(s) related to this topic in the custodian/broker-dealer's account set up paperwork
- Signing our investment advisory agreement and the custodian/broker-dealer's account set up paperwork

For 401(k) Plan client accounts we do not have discretionary authority.

For both Individual Clients and 401(k) Plan clients, we must agree in writing to any restrictions you wish to place on our authority in managing your account. We generally require these restrictions, if any, to be contained in writing in the investment advisory agreement that both you and us sign as we enter into our investment advisory relationship with you.

## ***Voting Client Securities***

Form ADV Part 2A, Item 17

**A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

Not applicable. We do not accept authority to vote client securities.

**B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.**

We do not have authority to vote your securities. You will receive your proxies and other solicitations directly from your custodian or transfer agent. If you ask, we may provide you with our opinion on how to vote your securities.

## **Financial Information**

### **Form ADV Part 2A, Item 18**

**A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.**

Not applicable. We do not solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

**1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.**

Not applicable.

**2. Show parenthetically the market or fair value of securities included at cost.**

Not applicable.

**3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.**

Not applicable.

**B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.**

There is no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to you.

**C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status. If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.**

Not applicable. We have never been the subject of a bankruptcy petition.