

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Strategic Wealth Management, Inc. (hereinafter “SWM” or “firm” or “we”). If you have any questions about the contents of this brochure, please contact us at (425) 250-7600 or at PatS@swm.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SWM is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for SWM is 107180.

Item 2. Summary of Material Changes

On July 21, 2010, the U. S. Securities and Exchange Commission (the "SEC") unanimously adopted changes to Form ADV, Part II. All fifty states have also adopted the new format, with some additional state-specific disclosures mandated. The new Part 2, also known as the "Brochure" has 18 separate items that our firm must address (19 for state-registered advisers), each of which requires disclosure on a distinct topic, and answers must be presented in the order of the items in the form, using the headings in the form. Our goal is to provide you with easy-to-understand "plain-English disclosure," using an easy-to-read format and definite, concrete, everyday words.

Our current (updated) Form ADV, Part 2 will be available to our existing and prospective clients 24 hours a day through the Investment Adviser Public Disclosure website. Additionally, we will annually and within 120 days of the end of our fiscal year, provide you either: (i) a copy of our Form ADV, Part 2 that includes or is accompanied by a summary of material changes; or (ii) a summary of material changes that includes an offer to provide a copy of the current Form ADV, Part 2. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

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Item 4. Advisory Business

Strategic Wealth Management, Inc. is a fee-only SEC-registered investment adviser (SEC file number 801-34623), with its principal place of business located in Kirkland, Washington. We have been in business since 1988, with Patrick Sizemore, CEO, President and Chief Compliance Officer, and James Sizemore, CFO, as direct owners of the firm.

Discretionary assets under our firm's management were \$401,667,699 and non-discretionary assets under our firm's management were \$46,585.208 as of December 31, 2011.

Investment Supervisory Services

Our firm provides continuous advice to a client regarding the investment of client funds based on the needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop an investment policy statement ("IPS") or investment plan and create and manage a portfolio or portfolios based on that policy or plan. During our data-gathering process, we determine the client's goals and objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history and risk tolerance.

We will manage advisory accounts on a discretionary or non-discretionary basis, as agreed with each client. For discretionary accounts, we will implement transactions without seeking prior client consent. For non-discretionary accounts, we will seek prior client consent for every contemplated transaction. Therefore, clients with non-discretionary accounts should understand that any delay in obtaining consent may result in less favorable transaction terms, including higher security price and/or higher trading expenses and/or limited availability of the securities sought.

Account supervision is guided by the stated objectives of the client (i.e. capital preservation, income, income and growth, or pure growth in conservative, moderate, moderately aggressive, or aggressive strategies), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Use of Sub-Advisers and Third-Party Managers

We may also, when appropriate, sub-advise certain portions of a client portfolio to independent third-party managers or recommend direct investment with

independent third-party managers, typically when those managers demonstrate specialized knowledge and expertise as a particular investment strategy.

SWM currently utilizes the sub-advisory services of SMART PORTFOLIOS, LLC (hereinafter “sub-adviser”), an independent SEC-registered investment adviser, to sub-advise SWM in the management of a portion of our clients’ portfolios, which have elected to utilize our Tactical Optimization Strategy. The sub-advisor is paid by SWM. Our firm, working with the sub-adviser has developed a tactical re-optimization strategy which involves monthly or more frequent portfolio re-optimization of a large universe of exchange traded funds (ETFs). The Strategy leads to frequent trading and re-alignment of the portfolio(s) into the most desirable of the ETFs in the strategy’s universe based on risk vs. reward in the near term. Because it produces significant short term gains, it is normally more appropriate for tax-exempt accounts. We intend to expand our firm’s tactical optimization strategies services in the near future.

Our firm will conduct appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, Code of Ethics, and other operational and compliance matters deemed important to account performance and risk management.

Consulting Services

Clients can also receive investment advice on a more specialized basis. This may include advice on area(s) of concern such as:

- Consulting to Native American Tribes in a broad area of tribal strategic planning, tribal fiscal ordinances, budgeting, fund and portfolio policies, tribal contracting and compacting, health services and retirement plans, Indirect Cost negotiations and interfacing with BIA, IHS or the Office of Trust Funds Management (OTFM)
- “As-requested management and/or financial consulting” to Native American Tribal clients
- Tracking/reporting activity and performance of investments which SWM does actively manage or are managed by others
- Retirement planning and implementation at the sponsor/trustee level
- Trustee issues including Fiduciary Education
- Retirement planning and implementation for individuals
- Financial implications of changes in family composition such as death, marriage or divorce
- Purchase, sale or gifting of business or family assets
- Financing of personal or entity real estate and business assets
- Estate settlement and investment of estate assets pending settlement
- Management, employment or deferred compensation contracts
- Business management assistance
- General advice on securities or other assets or asset classes, both foreign

and domestic

Services in General

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will primarily include advice regarding the following instruments:

- Equity securities
- Corporate debt securities
- Securities of foreign issuers or ADR's
- Cash equivalents
- United States government securities
- "No-load" or "load-waived" mutual funds
- Exchange traded funds (ETFs) and Closed End Funds
- Publicly Traded MLPs (Master Limited Partnerships)
- Reit's
- Commercial paper
- Warrants and options
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Option contracts on securities and commodities
- Precious metals or other commodities
- Interest in private placement offerings such as, hedge funds and other pooled investment partnerships or entities involving energy, real estate etc.
- Non-security investments such as privately owned real estate, businesses, privately financed leases, notes, mortgages, gold, silver and other tangible assets.

We tailor our portfolio management and consulting recommendations to the individual needs of each client. All such recommendations are tailored based on information which may be gathered through client questionnaires, electronic communications, telephone and in-person meetings and discussions.

Item 5. Fees and Compensation

Investment Supervisory Services

The annual fee for these services will be charged as a percentage of assets under our management, according to the following schedule:

<u>Assets Under Management (\$)</u>	<u>Annual Fee (%)</u>
First \$1 million	1.00%
Next \$1 million	0.90%
Next \$1 million	0.80%
Next \$1 million	0.70%
\$5 million to \$10 million	0.60%
Above \$10 million	0.50%

Occasionally, these services can be billed based on a mutually-agreed fixed or a pre-determined hourly fee.

Depending on the particular service provided each client, we will either invoice clients for specialized services or directly debit their custodial accounts for portfolio management fees in arrears at the end of each calendar month based upon the value of the client's account at the end of that month.

SWM/SMART Strategies

The annual fee for these services to any one client will be charged as a percentage of each clients assets under our management in the strategies or according to the following schedule:

<u>Assets Under Management (\$)</u>	<u>SWM / SMART Annual Fee (%)</u>
First \$25 million	1.00%
Next \$25 million	0.90%
Next \$25 million	0.80%
Next \$25 million	0.70%
Next \$25 million	0.60%
Above \$125million	0.50%

We will directly debit clients' custodial accounts for portfolio management fees in arrears at the end of each calendar month based upon the value of the client's account at the end of that month.

Consulting Services

Clients participating in our full fee Investment Supervisory services will receive most regular consulting at no extra charge. However, projects with a certain level of complexity and/or significant time commitment will be subject to additional flat or hourly fees. Clients will be advised of any additional charges that will be incurred and must consent in writing prior to the commencement of any such work.

For any ad-hoc consulting or special projects, clients who do not select our full service Investment Supervisory services, will be charged an hourly rate ranging from \$85 per hour for clerical support to \$385 per hour for senior consultants, plus expenses.

The length of time it will take us to complete a particular consulting project will depend on the nature and complexity of the individual client's circumstances. An estimate for total hours and anticipated expenses will be determined at the start of the advisory relationship and approved by the client.

Fees are due and payable upon completion of the consulting service or upon interim billings as agreed. If there are significant up front expenses, we may request a retainer upon completion of our fact-finding session with the client.

Fees in General

Fees and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, nature of services desired, negotiations with client, etc.).

We may group certain related client accounts for the purposes of determining the account size and/or annualized fee structure.

Certain legacy client agreements may be governed by fee schedules different from those listed above.

Under no circumstances will we accept fees in excess of \$1,200 more than six months in advance of services rendered.

Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client or SWM may terminate the agreement by providing to the address of record a 30-day written notice. Upon termination of any account, any earned unpaid fees will be due and payable.

Mutual Fund and ETF Fees and Expenses: All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund or and ETF directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds or ETFs are most appropriate to each client's financial condition and objectives at any given time. Accordingly, the client should review both the fees charged by the funds and ETFs and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Sub Advisor Fees: Any sub-advisor fees or "signal fees" for sub-advisors hired by SWM for particular strategies will be paid by SWM.

Brokerage and Custodial Fees

In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, trade-away and custodial fees incurred as part of their account management. Please see Item 12 of this Brochure for important disclosures regarding our recommended brokerage practices.

Item 6. Performance-Based Fees and Side-By-Side Management

At this time, SWM does not charge any fees for our consulting advisory services based on a share of performance above a fulcrum amount, capital gains on or capital appreciation of the assets of a client, or as a share of income in client accounts.

Item 7. Types of Clients

Our firm generally provides advisory services to Native American tribes. We also

provide advisory services to individuals, pension and profit sharing plans, trusts, estates or charitable organizations, corporations or other business entities.

We typically require a minimum client relationship of \$1million of assets under management and/or advisement. We generally require a minimum annual fee of \$2,500, regardless of the payment arrangement. We typically require a minimum client relationship of \$10 million for tribal accounts. We typically require a minimum account size of \$500,000 for accounts using the SWM/SMART Strategies.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

Our firm employs the following types of analysis to formulate client recommendations.

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

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

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

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

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

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

Mutual Fund and/or ETF Analysis: We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that

manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in other fund in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

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

Third-Party Manager Analysis: We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, it is possible for us to miss the absence of internal controls necessary to prevent business, regulatory or reputational deficiencies.

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

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We may purchase securities with the idea of holding them in the client account for a year or longer. We may do this because we believe

the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

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

Short-term purchases: At times, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and may result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Trading: We may purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

A risk in a trading purchase is the potential for sudden losses if the anticipated price swing does not materialize. Moreover, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and may result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Short sales: We may (with the client's permission) borrow shares of a stock fund, ETF for your portfolio from someone who owns the security on a promise to replace the shares on a future date at a certain price. We then sell the shares we have borrowed. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We may engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If the stock has gone down since we purchased the shares from the original owner, the client keeps the difference.

One risk in selling short is that losses are theoretically unlimited; we are obligated to repurchase the stock no matter how much the price has climbed. In addition, even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place. Short selling

may not be appropriate in times of inflation, as prices may adjust upwards regardless of the value of the stock.

Margin transactions: With your permission we may purchase securities for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. It may also be used to meet client liquidity needs.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

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

The two types of options are calls and puts:

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

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

We may use options to speculate on the possibility of a sharp price swing. We may also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

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

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

We use a “spreading strategy”, in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal that a client should be prepared to bear.

Item 9. Disciplinary Information

Our firm has no reportable disciplinary events to disclose.

Item 10. Other Financial Industry Activities and Affiliations

In addition to advisory services described in Item 4 of this Brochure, our firm has a Native American Consulting Division that provides consulting services to Native American Tribes in many areas, including Development of Fiscal Ordinances, Fund Policies, Investment Policies, Goals and Objectives, indirect cost reimbursement, budgeting, planning, interaction with the Bureau of Indian Affairs, financing and refinancing, preparation of information for audits and investment reconciliation. We also provide family and business transition planning and estate planning. These services do not necessarily involve investment advice. Typically, we will charge clients separate and distinct fees for these non-advisory services, in addition to the advisory fees discussed in Item 5 of this Brochure. However, for certain clients, we may, at our sole discretion, reduce or waive some or all of these non-advisory fees, depending on size of the overall engagement and the amount of funds managed.

Some of these non-advisory activities present a potential conflict of interest, to the extent that our principals and owners may receive additional compensation as a result of recommending additional non-advisory services to clients. Potential conflicts of interest also arise to the extent that these non-advisory activities may require a significant time commitment from our employees, thus limiting the amount of time they can dedicate to management of advisory client accounts.

Since we endeavor at all times to put the interest of our clients first, as part of our fiduciary duty as a registered investment adviser, we take the following steps to address these conflicts:

1. We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and its employees to earn compensation from advisory clients in addition to our advisory fees;
2. We disclose to clients that they are not obligated to purchase any additional services from our firm or its employees;
3. We do not pay or collect referral fees from any related persons or entities;
4. We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
5. Our management conducts regular reviews of each client account to verify that all recommendations made to a client are still suitable to the client's needs and circumstances;
6. We require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
7. We periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
8. We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code provides for oversight, enforcement and recordkeeping provisions. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request to the Chief Compliance Officer, at the firm's principal office address.

Our firm or individuals associated with our firm may buy or sell securities for their

personal accounts identical to those recommended to or purchased for customers. In addition, any related person(s) may have an interest or position in a certain security (ies) which may also be recommended to a client. This practice results in a potential conflict of interest, as we may have an incentive to manipulate the timing of such purchases to obtain a better price or more favorable allocation in rare cases of limited availability.

We may aggregate our employee trades with client trades. In case there is a partial fill of a particular block trade order, we will allocate all the purchases pro-rata, with each account paying average price.

To mitigate these potential conflicts of interest and ensure the fulfillment of our fiduciary responsibilities, we have established the following restrictions:

1. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No principal or employee of our firm may prefer his or her own interest to that of the advisory client.
2. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.
3. We maintain a list of all securities holdings for our firm and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by our compliance staff.
4. In case of partial fills, client accounts will receive preference over employee accounts.
5. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
6. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
7. Any individual not in observance of the above may be subject to disciplinary action or termination.

Item 12. Brokerage Practices

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

We do not request or accept the discretionary authority to determine the broker dealer or custodian to be used for client accounts. Clients must direct us as to the broker dealer or custodian to be used for all client securities transactions. In directing the use of a particular broker or dealer or custodian, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not all advisers require their clients to direct brokerage.*

Our firm participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Company, Inc. ("Schwab"), an unaffiliated FINRA-registered broker dealer. Because of the quality of this program, clients in need of brokerage and custodial services will usually have Schwab recommended to them. As part of the SI program, our firm receives certain benefits that it may not receive if it did not utilize Schwab. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to negotiate lower fees for our fee based clients based on our aggregated client assets at Schwab; ability to have investment advisory fees deducted directly from client account; access, to an electronic communication network for client order entry and account information; receipt of compliance publications; and client access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SI program may or may not depend upon the amount of transactions directed to, or amount of assets custodied by, Schwab.

Participation in the SI program may results in a potential conflict of interest for our firm, as the receipt of the above benefits may be perceived to create an incentive for us to recommend Schwab to clients.

Nonetheless, we have reviewed the services of Schwab and recommend the services based on a number of factors. These factors include the professional services offered to both our clients and our firm, fee and commission rates, and the custodial platform provided to clients. While, based on our business model, we will not seek to exercise discretion to negotiate trades among various brokers on behalf of clients, we will, however, periodically check rates and service levels with other brokerage firms and, if appropriate, attempt to negotiate lower commission rates or asset based brokerage fees for our clients with Schwab.

Trade Aggregation

We may aggregate client trades when doing so is advantageous to our clients. Mostly, we will batch client transactions to receive volume discounts and to obtain better and more uniform pricing across client accounts. If under most circumstances we will determine that aggregation of trades in a certain situation will be beneficial to our clients, transactions will be averaged as to price and will be allocated among our clients in proportion to the purchase and sale orders placed from each client account on any given day.

Item 13. Review of Accounts

Investment Supervisory Services

Patrick Sizemore, President, CEO and CCO, James Sizemore, CFO, Jason Davis, Director of Research, and Timothy Minneman, Head of Operations and Compliance Officer, will continuously monitor the underlying securities in client accounts and perform at least annual, but typically monthly and quarterly reviews of account holdings for all clients. We will also monitor the performance of third-party managers on a regular basis. Accounts are also periodically reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Geopolitical and macroeconomic events may also trigger reviews. Clients participating in third-party programs should refer to the sponsors' disclosure documents for information regarding additional reviewers and frequency of additional reviews, if any.

In addition to the monthly/quarterly and annual statements and confirmations of transactions and income that clients receive from their broker dealer, our firm will provide at least annual, but typically quarterly, holdings, tactical and strategic asset allocation and/or performance monitoring.

Consulting Services

We will review these client accounts, as contracted for at the inception of the advisory relationship, typically quarterly, but at least annually. We will provide additional reports as contracted for at the inception of the advisory relationship.

Item 14. Client Referrals and Other Compensation

Other than that already described in this Brochure, our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals, nor is it compensated by any other party.

Item 15. Custody

Custody is defined as any legal or actual ability by our firm to access client funds or securities. Since all client funds and securities are maintained with a qualified custodian, we don't take physical possession of client assets. However, under the current SEC rules, our firm is deemed to have constructive custody of client assets due to various arrangements which give us legal access to client funds; typically due to debiting of our investment management fees from client custodial accounts. Therefore, we urge all of our management clients to carefully review and compare their reviews of account holdings and/or performance results received from us to those they receive from their custodian(s). Should you notice any discrepancies, please notify us and/or your custodian immediately.

Item 16. Investment Discretion

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we requests that such authority be granted in writing, typically in the executed investment management agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations, at any time, as desired. Such amendments must be submitted to us by the client in writing.

Item 17. Voting Client Securities

Advisory clients may elect to delegate their proxy voting authority to us. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case we may consult with clients as requested. With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's or Trustee's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact the firm by telephone, electronic mail, or in writing.

When we have discretion to vote proxies for our clients, we will vote those proxies in the best interests of its clients and in accordance our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received a record of each vote cast, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting the firm directly. Clients may request, in writing, information on how

proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

Item 18. Financial Information

Under no circumstances will we earn fees in excess of \$1,200 more than six months in advance of services rendered.

Part 2B of Form ADV: *Brochure Supplement*

Patrick L. Sizemore

550 Kirkland Way
Suite 200
Kirkland, WA 98033

Telephone: (425) 250-7600

Strategic Wealth Management, Inc.

550 Kirkland Way
Suite 200
Kirkland, WA 98033

Telephone: (425) 250-7600

This brochure supplement provides information about Patrick Sizemore that supplements the Strategic Wealth Management, Inc. brochure. You should have received a copy of that brochure. Please contact Patrick Sizemore, CCO, if you did not receive our brochure or if you have any questions about the contents of this supplement.

Item 2. Educational Background and Business Experience

Patrick L. Sizemore

Year of Birth: 1947

Education:

University of Oregon 1966-1968 - 2 years (School of Business),
Center for Fiduciary Studies,
U.S. Marine Corps Communications and Foreign Language School, 1968-1971
IAS Accounting Course (CPA Preparatory), 1970-1972
Hume Successful Investing and Money Management, 1984-1985
College of Financial Planning (Resulting in CFP designation), 1986-1988

Professional Designations:

Mr. Sizemore earned the Certified Financial Planner (CFP) designation from the College of Financial Planning. His designation is currently inactive. The CFP designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board) in the United States. To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. To fulfill the education requirement, students are required to complete course training in various topic areas and sit for the ten hour CFP Board Certification Examination. A bachelor's degree (or higher), or its equivalent in any discipline, from an accredited college or university is required to attain CFP certification.

Business Background:

Manager, Prudential Insurance Co. – 1973-1980
VP Marketing and Consulting – Clark Sizemore Group 1981-1986
President, Sizemore Associates, Inc., Family Corporation, 10/1987 to present
CEO, President, Chief Compliance Officer, Strategic Wealth Management, Inc. from 9/1988 to present
Manager, PM Management, LLC from 2006 to present

Item 3. Disciplinary Information

Mr. Sizemore does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Sizemore is President and owner of Sizemore Associates, Inc., a family investment corporation. SWM advisory clients will not be solicited to invest or use the services of this entity.

Mr. Sizemore is also the Manager of PM Management, LLC, a company which consults on energy, commodity and real estate projects and project funding. SWM advisory clients will not be solicited to invest or use the services of this entity.

Potential conflicts of interest arise to the extent that these non-advisory activities may require a certain time commitment from Mr. Sizemore, thus limiting the amount of time he can dedicate to management of advisory client accounts. Mr. Sizemore may spend up to 10% of his daily business time on these non-advisory activities. Please refer to Item 10 of this Brochure for a detailed explanation of how our firm addresses these conflicts of interest.

Item 5. Additional Compensation

Mr. Sizemore does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

As owners of SWM, Patrick Sizemore and James Sizemore are jointly responsible for all employee supervision. These individuals are also primarily responsible, with the assistance of the firm's key employees, for formulation and monitoring of investment advice offered to clients, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met.

Part 2B of Form ADV: *Brochure Supplement*

James M. Sizemore

550 Kirkland Way
Suite 200
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Kirkland, WA 98033

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This brochure supplement provides information about James Sizemore that supplements the Strategic Wealth Management, Inc. brochure. You should have received a copy of that brochure. Please contact Patrick Sizemore, CCO, if you did not receive our brochure or if you have any questions about the contents of this supplement.

Item 2. Educational Background and Business Experience

James M. Sizemore

Year of Birth: 1951

Education:

Lane Community College - 1 year (Accounting and Business)
International Accountants Society, Diploma (Adv. Accounting) from 1972 to 1974
International Accountants Society, (CPA Preparatory) from 1974 to 1976
Certified Public Accountant, State of Oregon to present (inactive), 1977

Professional Designations:

Mr. Sizemore earned the Certified Public Accountant (CPA) designation. His designation is currently inactive. CPA is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA.

Business Background:

President, Sizemore Associates, Inc. of Oregon, Family Corporation from 1993 to Present
Senior Consultant and Chief Financial Officer, Strategic Wealth Management, Inc. from 1995 to present

Item 3. Disciplinary Information

Mr. Sizemore does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Sizemore is President and owner of Sizemore Associates, Inc., Oregon, a business consulting family corporation. SWM advisory clients will not be solicited to invest or use the services of this entity.

Potential conflicts of interest arise to the extent that this non-advisory activity may require a certain time commitment from Mr. Sizemore, thus limiting the amount of time he can dedicate to management of advisory client accounts. Mr. Sizemore may but does not typically spend up to 10% of his daily business time on this non-advisory activity. Please refer to Item 10 of this Brochure for a detailed explanation of how our firm addresses these conflicts of interest.

Item 5. Additional Compensation

Mr. Sizemore does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

As owners of SWM, Patrick Sizemore and James Sizemore are jointly responsible for all employee supervision. These individuals, with the assistance of the firm's key employees, are also primarily responsible for formulation and monitoring of investment advice offered to client, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met.

Part 2B of Form ADV: *Brochure Supplement*

Jason W. Davis

550 Kirkland, Way
Suite 200
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Strategic Wealth Management, Inc.

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Suite 200
Kirkland, WA 98033

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This brochure supplement provides information about Jason Davis that supplements the Strategic Wealth Management, Inc. brochure. You should have received a copy of that brochure. Please contact Patrick Sizemore, CCO, if you did not receive our brochure or if you have any questions about the contents of this supplement.

Item 2. Educational Background and Business Experience

Jason W. Davis

Year of Birth: 1971

Education:

Seattle Pacific University, B.S. degree in Electrical Engineering, 1995
University of Washington, Executive MBA in Technology Management, 2003

Business Background:

President, Serenity Corporation from 08/1999 to 06/2004
Financial Advisor, Merrill Lynch from 06/2004 to 06/2006
Investment Consultant, Strategic Wealth Management, Inc. from 06/2006 to present

Item 3. Disciplinary Information

Mr. Davis does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Davis is not engaged in any outside business activities.

Item 5. Additional Compensation

Mr. Davis does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

As owners of SWM, Patrick Sizemore and James Sizemore are jointly responsible for all employee supervision. They can be reached at (425) 250-7600. These individuals are also primarily responsible for formulation and monitoring of investment advice offered to client, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met.

Part 2B of Form ADV: *Brochure Supplement*

Timothy A. Minneman

550 Kirkland Way
Suite 200
Kirkland, WA 98033

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Strategic Wealth Management, Inc.

550 Kirkland Way
Suite 200
Kirkland, WA 98033

Telephone: (425) 250-7600

This brochure supplement provides information about Timothy Minneman that supplements the Strategic Wealth Management, Inc. brochure. You should have received a copy of that brochure. Please contact Patrick Sizemore, CCO, if you did not receive our brochure or if you have any questions about the contents of this supplement.

Item 2. Educational Background and Business Experience

Timothy A. Minneman

Year of Birth: 1966

Education:

Everett Community College, AA General from 1990 to 1992
Seattle University, B.A. degree in Finance, 1994

Business Background:

Strategic Wealth Management, Inc., Director of Operations and Compliance from 1/1996 to present
Founder and President, Back Office Connection, Inc. from 3/2007 to present

Item 3. Disciplinary Information

Mr. Minneman does not have any history of reportable disciplinary events.

Item 4. Other Business Activities

Mr. Minneman is the Founder and President of Back Office Connection, Inc. (hereinafter, "BOC"), an entity our firm spun out to Mr. Minneman and has contracted with for back-office support services, including operations, information technology, disaster recovery and compliance support. Our firm will pay BOC a fee for its services.

Potential conflicts of interest arise to the extent that this non-advisory activity may require a certain time commitment from Mr. Minneman, thus limiting the amount of time he can dedicate to management of advisory client accounts. Mr. Minneman may spend up to 75% of his time on this non-advisory activity. This entity will have access to and will host our client data on its systems. Furthermore, the sharing of office space with BOC creates privacy and information security challenges that we must address and monitor on an ongoing basis. We have implemented appropriate privacy, information security, and investment information sharing safeguards to ensure that our clients' confidential, non-public information and our investment methods, ideas, and trading information are properly protected.

Please refer to Item 10 of this Brochure for a detailed explanation of how our firm addresses these conflicts of interest.

Item 5. Additional Compensation

Mr. Minneman does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

Item 6. Supervision

As owners of SWM, Patrick Sizemore and James Sizemore are jointly responsible for all employee supervision. They can be reached at (425) 250-7600. These individuals are also primarily responsible for formulation and monitoring of investment advice offered to client, documenting investment meeting deliberations, overseeing all material investment policy changes, and conducting periodic testing to ensure that client objectives and mandates are being met.