

I.

Brett Josey Wealth Management, Inc.

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This brochure provides information about the qualifications and business practices of Brett Josey Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact Brett Josey at (318)226-9999. 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 Brett Josey is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC does not imply a certain level of skill or training.

## II. Material Changes

The changes include an update to the assets under management, the addition of “Additional information about Brett Josey is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).” to the cover page, addition to item 14 identifying that BJWM does not pay referral fees and Addition item 19 showing education and experience of Brett Josey.

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#### **IV. Advisory Business:**

Brett Josey Wealth Management Inc. (BJWM) has been in business since January 1998. Brett Josey is the sole owner (100%) of BJWM. Brett Josey is also the sole employee of BJWM.

BJWM strives to offer a superior level of service to its customers. Types of clients include Individuals, Trusts and Estates, Charitable Organizations, Family Limited Partnerships and Limited Liability Companies. Services include Investment Management, Estate Planning, and Financial Planning.

As of 12/31/2011 BJWM managed \$57,549,361 with investment discretion. BJWM does not manage any funds on a non-discretionary basis.

Estate Planning and financial planning are offered to each client. The goal of Estate Planning is estate tax minimization AFTER considering the individual client goals. The goal of financial planning is to help the client identify and achieve long term goals. BJWM does NOT sell any products nor does BJWM receive any financial reward for putting clients in any specific products. All BJWM fees are asset value based and will be discussed in the next section.

#### **V. Fees and Compensation:**

BJWM charges 0.60% of the market value of assets for services rendered. These fees are charged and deducted directly from the client account. This fee may be negotiated when individual circumstances warrant. The fee schedule of BJWM is pasted below for your reference:

#### **PRICING POLICIES**

In formulating my business plan, I recognized that the myriad of fee practices confuse, irritate and frustrate the client. Accordingly I have established the following pricing policies:

- One tier, easy to understand fee schedule.
- No product sales... the client's goals will be served without the traditional "conflict of interest" between commissioned sales and the BEST alternative for the client.
- Complete flexibility to tailor services and fees to meet the specific client needs.
- Equity brokerage commissions (paid by clients) at Schwab Institutional will be a flat \$8.95 per trade for households with over \$1,000,000 in accounts. Other accounts will pay \$12.95 per trade.
- Schwab Institutional can be utilized as the third party custodian of all assets at no cost to the client.
- I am committed to providing SERVICE that is second to none.
- Absolutely no delegation of the client relationship to "lower level employees".

#### FEE SCHEDULE

ASSET MANAGEMENT FEE: 0.60% OF PORTFOLIO MARKET VALUE OF ASSETS.

ASSET MINIMUM: \$3,000,000

Fees are charged directly to the accounts. Fees are computed on portfolio market values. You may elect to have your fees fixed for each calendar year. In such an instance, your fee will be calculated at the beginning of the period, and your account will be charged a pro-rata fee each month around the last day of the month. This will enable you to know exactly what your fees will be for the year at the beginning of the year.

**Fees and asset minimum may be negotiated when individual circumstances warrant.**

#### **VI. Performance Based Fees and Side by Side Management**

(Not Applicable)

## **VII. Types of Clients**

Types of clients include Individuals, Trusts and Estates, Charitable Organizations, Family Limited Partnerships and Limited Liability Companies. BJWM has established a \$3,000,000 minimum balance for each client/family relationship. This amount may be spread over several accounts. This minimum may be waived when individual circumstances warrant.

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

Investment Management: The primary focus is on individual company fundamentals. Types of investments include exchange listed securities, securities traded over-the-counter, corporate debt, certificates of deposit, municipal bonds and United States government securities. The main sources of information used by BJWM include financial research and materials prepared by others (For example: Standard and Poor's) corporate rating agencies, company annual reports and press releases. Investment strategies are intended for long term purchases. Specifically, BJWM considers the strength of individual company balance sheets, income statement, cash flow, products/service and management team when selecting equities. Individual equities are selected primarily from Large Cap stocks, i.e. leaders in their individual industry. The client's risk tolerance drives the asset allocation. Equity purchases are intended to be long term in nature. Risks in equity investments include but are not limited to market risk and individual company risk.

Fixed Income investments are selected with quality and safety in mind. It is not anticipated that Fixed Investments will be traded prior to maturity. Risks in fixed income investments include but are not limited to default/credit risk and interest rate risk.

Investments are individually tailored to attempt to achieve the client's goals within the individual clients' stated risk preference. Regardless of approach, strategy or asset mix investing in securities involves risk of loss that clients should be prepared to bear.

## **IX. Disciplinary Action**

(Not Applicable)

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

(Not Applicable)

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

While many features of a standard company code of ethics do not apply to a “one man shop”, it is of paramount importance to BJWM that integrity and trust describe the business process of BJWM.

It is absolutely critical that the interests of clients come first. Principles included in this statement are:

1. All personal security transactions will be conducted in such a manner as to be consistent with the “client first” policy. As Brett Josey is the only Employee/Owner, there is no one to report personal transactions to; therefore no reporting is provided. Client securities are invested in widely traded liquid securities (Large Cap stocks, Mid Cap stocks and Fixed Income.) and would not be affected by the modest amount that Brett Josey would trade in personally. Brett Josey does purchase some of the same securities for his accounts as he does for client’s accounts.

2. Information concerning the identity of security holdings and financial circumstances of clients is confidential.

3. Independence in the investment decision making process is paramount.

4. From a conflict of interest perspective, one client will not be favored over another client as that would create a breach of fiduciary duty.



BJWM has a reputation for honesty, integrity and professionalism. Every effort is made to retain this reputation.

## **XII. Brokerage Practices**

### **The Custodian and Brokers I Use**

BJWM does not maintain custody of your assets that are managed; although BJWM may be deemed to have custody of your assets if you give authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. I recommend that my clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. BJWM is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when I place trades. While I recommend that you use Schwab as custodian/broker, you will decide whether to do so, and you will open your account with Schwab by entering into an account agreement directly with them. I do not open the account for you, although I will assist you in doing so. Even though your account is maintained at Schwab, I can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”).

### **How I Select Brokers/Custodians**

I seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. I consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Quality of services

- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to BJWM and my other clients
- Availability of other products and services that benefit BJWM, as discussed below (see “Products and Services Available to us from Schwab”)

### **Your Brokerage and Custody Costs**

For the clients’ accounts that Schwab maintains, Schwab generally does not charge the client separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab’s commission rates applicable to my client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they may have been otherwise. In addition to commissions, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that I have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, I have Schwab execute almost all trades for your account. I have determined that having Schwab execute most trades is consistent with my duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How I Select Brokers/Custodians”).

### **Products and Services Available to BJWM from Schwab**

#### **Services That Benefit You**

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

#### **Services That May Not Directly Benefit You**

Schwab also makes available to us other products and services that benefit me but may not directly benefit you or your account. These products and services assist me in managing and

administering clients' accounts. They include investment research, both Schwab's own and that of third parties. I may use this research to service all or a substantial number of my clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from my clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### **Services That Generally Benefit Only BJWM**

Schwab also offers other services intended to help me manage and further develop my business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to me. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide me with other benefits, such as occasional business entertainment.

### **BJWM's Interest in Schwab's Services**

The availability of these services from Schwab benefits me because I do not have to produce or purchase them. I do not pay for Schwab's services so long as my clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon my committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give me an incentive to recommend that you maintain your account with Schwab, based on my interest in receiving Schwab's services that benefit my business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a

potential conflict of interest. I believe, however, that my selection of Schwab as custodian and broker is in the best interests of my clients. My selection is primarily supported by the scope, quality, and price of Schwab's services (see "How I Select Brokers/Custodians") and not Schwab's services that benefit only me.

**Trade aggregation** is not the big cost savings that it used to be now that equity commissions are so inexpensive, (For example \$8.95 per trade). When trades are aggregated, Schwab does not reduce the fee per account. Therefore, each client pays the same brokerage fee as they would have paid had the trade not been aggregated.

BJWM will allow clients to direct business to other brokers. It is imperative that the client understand that the execution may not be as favorable as Schwab Institutional and may be more costly to the client. Additional cost may include but is not limited to trade away fees charged by the custodian.

### **XIII. Review of Accounts**

BJWM provides a continuous review of the securities in which it has discretion. By continually monitoring the securities, it in effect covers all accounts continuously. When a fundamental security change occurs, positive or negative, the review is then moved down to the account level where the client's individual circumstances are taken into consideration.

Each account receives one formal annual review each calendar year. The review focus is on the asset allocation versus the accounts stated objective.

Interim individual account reviews can be triggered by a change in individual circumstances that would alter the stated long term goals. A large addition or distribution of assets may also trigger a formal review.

Brett Josey is the sole reviewer.

### **XIV. Client Referrals and Other Compensation**

I receive an economic benefit from Schwab in the form of the support products and services it makes available to BJWM and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit me, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of Schwab's products and services is not based on my giving particular investment advice, such as buying particular securities for my clients.

BJWM does not pay anyone for referrals.

## **XV. Custody**

Under government regulations, BJWM is deemed to have custody of your assets if, for example, you authorize BJWM to instruct Schwab to deduct advisory fees directly from your account [or if you grant authority to move your money to another person's account]. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. I also urge you to compare Schwab's account statements to any reports BJWM may provide from time to time.

## **XVI. Investment Discretion**

BJWM does accept investment discretion over the accounts that it manages. This is accomplished via client written authority in the Schwab Institutional new account form and the letter agreement with BJWM. The client may impose specific limitations, such as stating that a particular security is to be held unless and until the client directs otherwise.

## **XVII. Voting Client Securities**

It is the policy of Brett Josey Wealth Management, Inc. to vote proxies in the best interest of clients. Issues to be considered include but are not limited to corporate governance, changes in capital structure, stock option plans and social and corporate responsibility issues.

Generally, it is the policy of Brett Josey Wealth Management, Inc. to vote proxies consistent with the recommendation of the management of the corporation issuing the proxy. The reasoning behind this policy is that you must have a strong belief in the management of a corporation in order to desire to be a shareholder. If you find significant issues wherein the views of corporate management and that of the shareholder are not consistent, then the holding should be reviewed with regard to the appropriateness of holding the security.

There are no personal conflicts of interest with regard to proxy voting considering that BJWM does not manage funds or plans of the corporations, neither does BJWM have a business relationship with any of the corporations and nor does BJWM have a financial interest in the outcome of the vote.

A client can direct a particular vote on any proxy they choose. If a client has such an inclination, they may want to consider retaining the authority with regard to proxy voting on a portion or all of their portfolio holdings.

BJWM will retain annual reports along with the proxy voting material for a period of five years pursuant to rule 206(4)-6. A client can view proxy voting materials in the office of BJWM upon request.

#### **XVIII. Financial Information**

(Not Applicable)

#### **XIX. Requirements for State-Registered Advisers**

**President/Owner Brett Josey (sole employee and owner)**

##### **Educational Background and Business Experience**

##### **Education:**

**B. S. Undergraduate degree in Business Administration from Louisiana Tech University.  
Graduated in 1983**

**MBA with an emphasis on Finance/Investments from Louisiana Tech University. Obtained while working full time. Graduated in 1988**

**Texas School of Trust Banking. This was a one week school. It was a precursor to attending the ABA National Trust School. Completed 1986**

**ABA National Trust School at Northwestern University in Evanston, Illinois. This entailed a two week intensive course study and exam. Scored over 90% on the exit exam in 1988 and therefore achieved the award of Honor Graduate.**

**ABA National Graduate Trust School at Northwestern University in Evanston, Illinois. This school is only for those who have completed the National Trust School. It is a two year intensive study. Requirements include a comprehensive exam each year. In addition, five case studies must be completed during each year. It takes an average of 15-20 hours to complete each case study. Experienced industry practitioners evaluate each case study and provide individual feedback. Each case study ranged in length from approximately 15-20 typed pages. The areas covered included Investments, Fiduciary Law, Income Taxation, Estate Taxation, Life Insurance, Employee Benefits, Financial Planning, Charitable Giving, Post-Mortem Planning, and Ethics. A score over 90% was achieved on all exams and case studies. As a result the Honor Graduate award was achieved and two additional designations were awarded. Those designations were Certified Trust and Financial Adviser and Certified Financial Services counselor.**

**NASD Series 7 Exam passed March 1997**

**Completed the College for Financial Planning Certified Financial Planner Professional Education Program January 1998.**

**December 2011 Passed the Series 65 Uniform Investment Adviser Law Exam**

## **Experience**

**1983 Personal Trust Administrator for First National Bank of Shreveport**

**1986 Personal Trust Officer Louisiana Bancshares (Still the same bank/Name Change post-merger)**

**1988 Assistant Vice President and Trust Officer Premier Bank (Still the same bank/Name Change)**

**1990 Assistant Vice President and Trust Officer for Commercial National Bank in Shreveport**

**1992 Vice President and Trust Officer Deposit Guaranty Bank (Still the same bank/Name Change post-merger.)**

**1994 Named Sales and Marketing Manager while continuing to serve the most complex and highest wealth clients of the personal trust department.**

**1998 to Present: Owner and sole employee of Brett Josey Wealth Management, Inc.**