

**Item 1      Cover Page**

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This brochure provides information about the qualifications and business practices of McCarthy Grittinger Weil Financial Group, LLC (“MGW”). If you have any questions about the contents of this brochure, please contact us at (414) 475-1369 or [afinley@mgfin.com](mailto:afinley@mgfin.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 MGW also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2      Material Changes**

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Below is a summary of material changes made to our Form ADV Part 2A since our March 7, 2011 filing.

### Item 5- Fees and Compensation

We added clarifying language that clients will pay fees on any unmanaged assets held within MGW managed accounts.

### Item 12- Brokerage Practices

The discussion of MGW's brokerage practices was updated to include MGW's participation in Schwab and TD Ameritrade's institutional advisor programs, which offer (among other items) custody of securities, trade execution, clearance, and settlement of transactions. MGW receives some benefits from these custodians through its participation in these programs.

We also added clarifying language that clients will pay fees on unmanaged assets held as a result of client-initiated courtesy trades.

### Item 14- Client Referrals and Other Compensation

This item was updated to disclose MGW may receive services from TD Ameritrade and Schwab, including succession planning, practice valuation, and equity management services from third-party vendors through our participation in TD Ameritrade's Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Equity Management Program, we may have been selected to participate in the TD Ameritrade Institutional Equity Management Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade.

### **Item 3      Table of Contents**

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## **Item 4      Advisory Business**

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MGW is an independent investment advisory and financial planning firm. Our primary service is ongoing investment supervision, utilizing a comprehensive financial planning approach. We may also provide general counsel to clients in the areas of financial, tax, retirement, insurance and estate planning, including tax preparation services for select clients. When provided, these services are offered at no additional fee to our clients.

MGW partners are John T. McCarthy, Scott D. Grittinger and Michael J. Weil. MGW was founded in 1995 by John T. McCarthy.

### Assets Under Management as of December 31, 2011

Non-Discretionary: \$208, 378,708

Discretionary: \$0

## **Item 5      Fees and Compensation**

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### **General Fee Information**

We charge most of our clients a fee based on a percentage of the account's market value ("asset-based fee"). In rare instances, MGW may charge clients fixed fees. Based on written client authorization, fees are deducted automatically from client's custodial accounts at the end of the quarter and fully disclosed on quarterly client account statements.

Fees are calculated using security prices provided by client's custodian. For fee calculation purposes, we may assign a time-weight allocation for contributions related to the funding of new client accounts or other material contributions. We may negotiate fees based on account size and other factors deemed important to MGW. Fees for our existing clients may be based on prior fee schedules. Clients separately incur custody and fund fees imbedded within mutual fund and ETFs. Clients also pay fees on any unmanaged assets held within MGW managed accounts. Please see Item 12 for additional information on our brokerage practices and courtesy trades.

### **Standard New Account Fee Schedule**

<b>Assets under Direct Supervision</b>	<b>Annual Fee</b>
First \$250,000	1.20%
Next \$250,000 (\$250,001 - \$500,000)	1.00%
Next \$250,000 (\$500,001 - \$750,000)	.75%
Next \$1,250,000 (\$750,001 - \$2,000,000)	.50%
Over \$2,000,000	.25%

### **Account Valuation Practices**

MGW uses pricing information provided by the client's custodian for purposes of valuing client portfolios, whether for fee billing or investment performance calculations. Prices of securities we routinely recommend to clients are widely available through financial publications, and do not generally require us to independently determine a value.

We maintain account valuation (including fair valuation) policies and procedures designed to provide assurance the prices we use for fee billing and investment performance calculation purposes are accurate.

### **Item 6      Performance-Based Fees and Side-by-Side Management**

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We do not charge our clients performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets in a client's account).

### **Item 7      Types of Clients**

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MGW provides investment management services to individuals and high-net worth individuals. All clients are required to enter into an investment advisory agreement with us prior to us providing any services. We do not have a minimum account size requirement.

We manage separate accounts for family members and friends. These clients receive standard client reporting and are not involved in our day-to-day operations. They also have no knowledge of our trading or investment activities and do not receive a reduction in fees. In addition, we often assign an employee other than the client's relative or friend to serve as the primary contact on the account.

Either you or we may terminate the investment advisory agreement at any time by giving 60 days written notice. Termination of an advisory agreement by you will not affect transactions we have initiated on the client's behalf prior to the effective date of such termination.

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

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We make specific investment recommendations utilizing the broadly accepted investment theory of asset allocation. Asset allocation focuses on designing well-diversified investment portfolios covering multiple "asset classes" or types of investments utilizing mostly open-end mutual funds, exchange traded funds ("ETFs") and US Treasury debt. Like all marketable securities, clients face a risk of the value of these securities fluctuating, both up and down. While we cannot control market and economic factors which influence the price of these securities, we utilize an Investment Committee to monitor and perform due diligence on investment options.

We do not offer any products or services that guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices or investment products.

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**Item 9      Disciplinary Information**

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We have no disciplinary events to disclose.

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**Item 10      Other Financial Industry Activities and Affiliations**

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We have no other financial industry activities or affiliations.

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

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We maintain a Code of Ethics and Personal Trading Policy (the “Code”), which applies to all employees and principals. As a fiduciary, we have a duty of utmost good faith to act solely in the best interests of each of our clients. We strive to foster a healthy culture of compliance within all aspects of our business. Further, we expect our employees to avoid potential conflicts of interest or even the appearance of such conflicts. These principles represent the expected basis of all dealings with clients.

Our Code outlines the standards of conduct expected of our employees and includes limitations on personal trading, giving and accepting gifts, serving as a director or trustee for an external organization, participating in external investment organizations and engaging in outside business activities. In addition, employees are prohibited from using nonpublic inside information to trade in personal accounts or on behalf of our clients.

We require all employees to obtain prior written approval before acquiring any securities in an initial public offering or private placement. In addition, our Code requires all employees to report certain security holdings initially upon employment and on an annual basis thereafter.

Employees are permitted to own funds and individual securities they also recommend to our clients. This may create an incentive for employees to place their own interests ahead of our clients. To mitigate this risk, our Code requires employees to routinely report personal transactions and holdings. However, due to the immaterial nature of our employee’s ownership interests in these securities and the size and nature of the individual securities managed by the employee, we do not believe material conflicts of interest exist.

A copy of our Code is available upon request.

## **Item 12 Brokerage Practices**

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### **Selection of Brokers**

To efficiently service our clients' accounts, we have established custodial and brokerage relationships with five organizations: TD Ameritrade Institutional Services ("TD Ameritrade"), Schwab Institutional ("Schwab"), Marshall & Ilsley Trust Company ("MITC"), The Vanguard Group ("Vanguard") and Lincoln Financial Group ("Lincoln"). Schwab and TD Ameritrade provide custody services for the majority of our clients' assets. MGW has a similar relationship with MITC, which provides custody services for a small portion of our historic clients' assets. We do not plan to recommend the use of MITC for new clients. Our clients who choose an alternative custodian may pay additional advisory or custodial fees

From time to time, a client may hold an annuity, and MGW generally recommends our client hold that annuity through Vanguard (variable annuities) or Lincoln (fixed annuities). The choice of the underlying insurance company will likely vary depending upon whether the client invests in a fixed or a variable annuity product. The choice of the underlying insurance company is determined by Vanguard or Lincoln.

Our determining factors in choosing brokers include, but are not limited to: quality of execution; record-keeping and reporting; servicing capabilities; custody fees; and transaction costs. Our clients may pay additional trading costs if we place transactions through another broker. For this reason, we take into consideration these additional trading costs when placing trades for client portfolios, and this consideration typically results in placing trades through the client's custodian. In rare instances, we may not be comfortable trading certain securities with brokers we normally use to execute trades. In such situations, we will attempt to locate a more suitable broker.

### **Research & Other Soft Dollar Benefits**

We participate in Schwab and TD Ameritrade's institutional adviser programs. As such, we use standard technology and research services provided by Schwab and TD Ameritrade to service client accounts, including services related to trade execution, clearance and settlement functions, as well trading software and general economic commentary and analyses. All services provided by Schwab and TD Ameritrade are available to all participating advisors and may be used to service all of MGW's accounts.

### **Trade Aggregation**

Due to the nature of the securities in which we actively trade (specifically, mutual funds, ETFs and US Treasury bonds), securities held in client accounts are generally traded on an individual basis and are not "bunched" or "blocked" with other client trades.

### **Trade Errors**

It is our policy for clients to be made whole following any trade error made by us. If a trade error results in a loss, we will fully reimburse the client. If a trade error results in a gain, either the client or the custodian shall keep the gain, generally as dictated by the custodian's trade error correction practices. We maintain policies and controls surrounding trade errors, designed to provide reasonable assurance trade errors are properly addressed.

### **Courtesy Trades**

We may, at times, execute trades within the client's custodial account upon receipt of written or verbal direction from a client as a courtesy. While we discourage the extensive use of such "courtesy trades" and do not actively manage such assets, we include these assets within our client's fee calculation.

## **Item 13      Review of Accounts**

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### **Nature and Frequency of Reviews**

We provide an initial investment review for all of our new clients, and our relationship managers conduct an ongoing review at least annually. Significant market events, changes in client circumstances, requests by our clients, or at the suggestion of a client service professional may trigger a relationship manager to review.

### **Client Reports**

All of our clients receive regular account statements from their respective custodian. Schwab, TD Ameritrade and MITC all send monthly account statements that provide month-end investment balances as well as details of all account activity during the month. Vanguard and Lincoln send quarterly account statements that provide quarter-end investment balances as well as details of all account activity during the quarter.

We also send a monthly communication piece which is primarily an educational tool for clients.

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

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As disclosed under Item 12 above, MGW participates in TD Ameritrade's institutional advisor program (the "Program") and we may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give to our clients, although we receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research-related products and tools; consulting services; access to a trading desk serving MGW participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then



allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to MGW by third-party vendors. TD Ameritrade may also pay for business consulting and professional services received by MGW's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit us but may not benefit our client accounts. These products or services may assist us in managing and administering our client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help MGW manage and further develop its business enterprise. The benefits received by MGW or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, MGW endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by MGW or its related persons in and of itself creates a potential conflict of interest and may indirectly influence MGW's preference of TD Ameritrade for custody and brokerage services.

MGW may receive succession planning, practice valuation, and equity management services from third-party vendors through our participation in the TD Ameritrade Institutional Equity Management Program. In addition to meeting the minimum eligibility criteria for participation in the TD Ameritrade Institutional Equity Management Program, we may have been selected to participate in the TD Ameritrade Institutional Equity Management Program based on the amount and potential profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with MGW and there is no employee or agency relationship between TD Ameritrade and MGW. TD Ameritrade has established the TD Ameritrade Institutional Equity Management Program as a means of assisting independent unaffiliated Advisors to grow and maintain their respective investment advisory business. TD Ameritrade does not supervise MGW and has no responsibility for our management of client portfolios or our other advice or services to clients. MGW's participation in the TD Ameritrade Institutional Equity Management Program raises potential conflicts of interest. MGW may be incented to encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to participate in the TD Ameritrade Institutional Equity Management Program, MGW may have an incentive to recommend to clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. MGW's participation in the TD Ameritrade Institutional Equity Management Program does not relieve us of the duty to seek best execution of trades for client accounts. Further, while we strive to recommend custodians which we believe offer the most compelling offering of services for our clients, our clients are ultimately responsible to authorize the use of the custodian, as MGW cannot, and will not, establish custodian accounts on behalf of our clients.

MWG may receive similar services as described above from Schwab.

## **Item 15      Custody**

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We do not maintain custody of client assets, except as a consequence of our ability to withdraw our advisory fee directly from client accounts. We have written authority from these clients to deduct fees directly from their accounts at the end of each quarter and the fee is fully disclosed on quarterly client account statements sent by the qualified custodian. We encourage you to review these statements carefully. We send statements to clients on an as needed or by request basis. We also maintain policies and procedures designed to provide reasonable assurance our client's qualified custodian is sending monthly and quarterly statements to our clients and that we do not inadvertently obtain further custody over client assets. We encourage clients to compare information in our reports to reports provided by the client's qualified custodian. We have no affiliated qualified custodians.

## **Item 16      Investment Discretion**

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We provide portfolio management services on a non-discretionary basis.

## **Item 17      Voting Client Securities**

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We do not vote proxies on behalf of its clients. We or the custodian send all proxy materials directly to our clients, who are responsible for voting proxies. Upon our client's request, we will provide advice and information to clients to assist you in making a determination of how to vote a specific proxy. The final decision of how to vote a proxy, however, rests with our client.

## **Item 18      Financial Information**

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We have no financial conditions to disclose which would impair our ability to meet our contractual commitments to our clients.

## **Other Information**

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We do not participate in legal proceedings, including class actions, on behalf of our clients.

Our CCO, John T. McCarthy, serves as President, Owner, Managing Partner and Portfolio Manager. MGW maintains policies, procedures and controls to routinely monitor this conflict, and does not believe it results in unfair treatment of its clients.

## **Privacy Policy Notice**

### **Our Commitment to You**

When you become a client of MGW you entrust us with not only your financial assets but also with personal information about you. We treat this information as confidential and recognize the importance of protecting access to it.

### **The Type of Information We Collect About You**

In the course of doing business with our clients, we collect nonpublic information about you. You typically provide personal information when you become a client or when you request a transaction that involves MGW. This nonpublic information may include information regarding your name and address, social security number, assets, income, account balance, bank account information, personal tax information and investment activity.

### **What We Do With Your Personal Information**

We do not sell information about our current or former clients to third parties, and we do not disclose it to third parties unless requested by our client or necessary to process a transaction, service an account, or as permitted by law. We may share information with companies that perform administrative services for us. However, our contracts restrict the companies from using our client information for any other purpose than that for which they have been hired.

### **How We Safeguard Your Personal Information**

To protect your personal information, we maintain physical, electronic and procedural safeguards to guard your personal information. Our Privacy Policy, which applies to all our employees, restricts the use of client information and requires that it be held in strict confidence

### **We'll Keep You Informed**

As required by federal law, we will notify you of our privacy policy annually. In addition, we will tell you promptly if we change this policy.