

La Jolla Institute For Wealth Management Brochure

(Part 2A of Form A DV)

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This brochure provides information about the qualifications and business practices of La Jolla Institute For Wealth Management. If you have any questions about the contents of this brochure, please contact us at: 858-459-8818, or by email at: INFO@LAJOLLAWEALTH.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 La Jolla Institute For Wealth Management is available on the SEC's website at www.adviserinfo.sec.gov

December 1, 2011

Material Changes

Annual Update

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

Material Changes since the Last Update

Beginning in 2011, Securities and Exchange Commission Registered Investment Advisors with less than 100 million in assets, must cease their registration with the Securities and Exchange Commission and re-register with the state(s) in which they do business. La Jolla Institute For Wealth Management will follow this directive in 2011.
Utilization of Morningstar Managed Portfolios.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 858-459-8818 or by email at: INFO@LAJOLLAWEALTH.COM.

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Advisory Business

Firm Description

PROFESSIONAL PLANNING COUNSEL, INC. dba La Jolla Institute For Wealth Management (LJIWM) was organized in 1992. LJIWM is an independent, SEC Registered Investment Advisor. We invest client assets in stocks, bonds, and cash, with a typical balanced range of assets approaching 40% to 50% in equities and the remainder in cash and bonds. We do not make investment decisions or transactions without a client's PRIOR APPROVAL (non-discretionary management). We do not invest in so called structured products (derivatives or linked securities), short selling of stocks or indexes, or other financial products outside our area of a balanced investment portfolio of stocks, bonds, and cash. LJIWM provides personalized financial management and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning. LJIWM is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted. Investment advice is provided, with the client making the final decision on investment selection. LJIWM does not act as a custodian of client assets. The client always maintains asset control. LJIWM places trades for clients under a limited power of attorney, without discretionary authority. A written evaluation of each client's initial situation is provided to the client. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur, but are not necessarily communicated to the client unless immediate changes are recommended. Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur. The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial personal management and investment management may be beneficial to the client.

Principal Owners

LJIWM principal owners are Martin S. Johnson and Judith M. Johnson. Martin S. Johnson is the Chief Investment Officer, Compliance Officer, and President. Judith M. Johnson is Chief Financial Officer and Secretary.

Martin Stanley Johnson; B.A., Baldwin-Wallace College; J.D., University of Connecticut School of Law; M.B.A. (Tax), Golden Gate University; Chartered Life Underwriter (CLU), The American College; Registered Principal, Investment Management and Research, Inc. (SEC. File No. 801-34435) 1989-1992; Vice President, E.F. Hutton & Company 1979-87.

Types of Advisory Services

LJIWM provides personal financial management services to individuals and investment management services to corporations, retirement plans, and charitable organizations. We furnish investment management advice through consultations and in depth interviews. We provide reports and research on investments in securities and basic education materials on asset allocation and diversification.

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

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment Policy Statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Client Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Agreement

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

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

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

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

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is \$750.00 to \$2500.00 and is *NEGOTIABLE. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.*

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

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-up implementation work is billed separately at the rate of \$350.00 per hour.

Investment Management Agreement

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

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

Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the

billing quarter prior to termination.

Clients should read and consider carefully the information contained in both this brochure and any relevant money manager brochure. LJIWM believes that its professional advice will benefit many clients; however, there is no assurance or guarantee that the clients' objectives in any of the described programs will be achieved.

Retainer Agreement

In some circumstances, a Retainer Agreement is executed in lieu of an *Investment Management Agreement* when it is more appropriate to work on a *fixed-fee basis*. *The annual minimum fee for a Retainer Agreement is \$750.00 and is NEGOTIA BLE.*

Hourly Planning Engagements

LJIWM provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$350.00.

Asset Management

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

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. LJIWM does not receive any compensation, in any form, from fund companies or brokerage firms.

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

Initial public offerings (IPOs) are not available through LJIWM.

Termination of Agreement

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

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

Fees and Compensation

Description

LJIWM bases its fees on a percentage of assets under management, hourly charges, and fixed fees.

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

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

The annual Investment Management fee is based upon: (a) a percentage of the assets under management up to 2% per annum, (b) an annual retainer fee, or (c) an hourly fee for consulting services.

The minimum annual fee is \$4500.00 and is NEGOTIABLE. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Fees are NEGOTIABLE.

Fee Billing

Investment management fees are billed quarterly, in ADVANCE, meaning that we invoice you BEFORE the three-month billing period has BEGUN.

Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 25% in advance, with the balance due upon delivery of the financial plan.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds.

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

New Investment Management Agreement fees are calculated on a formula

basis and adjusted for complexity of individual situations. The formula is based on gross income, gross assets and other financial considerations.

Expense Ratios

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

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

Past Due Accounts and Termination of Agreement

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

Performance-Based Fees

Sharing of Capital Gains

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

LJIBM does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client, or require excessive transactions in reaching for performance.

Types of Clients

Description

LJIBM generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$1,000,000.00 of assets under management. LJIWM has the discretion to waive the account minimum. Accounts of less than \$250,000.00 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$1,000,000.00 within a reasonable time. Other exceptions will apply to employees of LJIWM and their relatives, or relatives of existing clients.

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

Security analysis methods may include the following:

Fundamental analysis : Analysis of security values grounded in basic factors such as earnings, balance sheet variables, and management quality. Fundamental analysis attempts to determine the true value of a security, and, if the market price of the stock deviates from this value, to take advantage of the difference by acquiring or selling the stock. Fundamental analysis may involve investigating a firm's financial statements, visiting its managers, or examining how a particular industry is affected by changes in the economy.

Technical analysis: Analysis of relationships among security market variables, such as price levels, trading volume, and price movements, so as to gain insights into the supply and demand for securities. Rather than concentrating on earnings, the economic outlook, and other business-related factors that influence a security's value, technical analysis attempts to determine the market forces at work on a certain security or on the securities market as a whole.

Cyclical analysis: Analysis of recurring, preferably periodic, movements in prices or other time series as a result of periods of expansion (recovery) and contraction (recession) in economic activity with effects on inflation, growth, and employment.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with

the Securities and Exchange Commission, and company press releases. Other sources of information that LJIWM may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's Research service, Advisor Intelligence, and the World Wide Web.

Investment Strategies

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

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

Risk of Loss

All investment programs have certain risks that are borne by the investor.

Investors face the following investment risks:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income

securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value. We attempt to mitigate these risks through broad diversification of assets, low expenses, low turnover of assets, and tax efficient portfolios.

Disciplinary Information

Legal and Disciplinary

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

Other Financial Industry Activities and Affiliations

Financial Industry Activities

LJIWM is NOT registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

LJIWM has arrangements that are material to its advisory or its clients with a related person who is an insurance company or agency and real estate broker or dealer. The following are the company's with whom there is a relationship:

Martin S. Johnson Inc ., a licensed California insurance agency
Martin S. Johnson, a licensed real estate sales agent

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

Code of Ethics

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

Participation or Interest in Client Transactions

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

Personal Trading

The Chief Compliance Officer of LJIWM is Martin S. Johnson. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small the securities markets.

Brokerage Practices

Selecting Brokerage Firms

LJIWM does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. LJIWM recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

LJIWM recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab, T.D. Ameritrade, and Fidelity Investments.

LJIWM DOES NOT receive fees or commissions from any of these arrangements.

LJIWM will suggest, but will not require, that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. LJIWM is independently

owned and operated and is not affiliated with Schwab. Schwab provides access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them, so long as at least a total of at least \$10 million of the adviser's client assets is maintained in accounts at Schwab Institutional, and are otherwise not contingent upon adviser committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors. For client accounts maintained at Schwab, Schwab does not charge separately for custody. Schwab may receive commissions or other transaction related fees for trades executed at Schwab.

Schwab also makes available to LJIWM other products and services that benefit adviser but may not benefit its client accounts. Some of these other products assist adviser in managing and administering client accounts. These include software and other technology that provides access to client account data (such as trade confirmation and client statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information, and other market data; facilitate payment of management fees from client accounts; and assist with back-office functions, recordkeeping, and client reporting. Many of these services generally may be used to service all or a substantial number of

LJIWM's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to LJIWM other services intended

to help adviser manage and further develop its business enterprise. These services may include consulting, publications, and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange, and/or pay for these types of services rendered to adviser by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third party providing these services to LJIWM. As a fiduciary, LJIWM endeavors to act in its clients' best interests, and acknowledges that its suggestion that clients maintain their assets in accounts at Schwab may be based in part on the benefit to LJIWM of the availability of some of the

foregoing products and services, and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab. This may create a potential conflict of interest.

However, LJIWM believes that clients who maintain assets at Schwab Institutional will benefit from the negotiated commissions rates, superior customer service, and extended services it is able to offer as a result of its relationship with Schwab Institutional. While LJIWM generally believes that TD Waterhouse, Fidelity, and Schwab are equal providers of discount brokerage services, it believes that its institutional relationship with Schwab makes it the superior choice for custodianship of client assets in most cases. While a client's election to hold assets at a brokerage firm other than Schwab may limit LJIWM's ability to achieve best execution and to negotiate commissions, LJIWM does not require that clients maintain accounts at Schwab Institutional. In some cases, as when a transfer to Schwab would incur excessive taxes, fees, or the sale of a holding which it is in the best interest of the client to retain, LJIWM will not suggest that the client transfer assets to Schwab.

Morningstar Managed Portfolios (MMP) provides managed portfolio investing in mutual funds, stocks, ETFs, asset allocation and other strategies on a discretionary basis. Initial investments range between 50K to 250K for individual accounts.

MMP fees are based on the account value and strategy selected. MMP fees range from a low of 0.20% to 0.55% depending on account size. LJIWM does not receive any portion of MMP's fees.

Best Execution

LJIWM reviews the execution of trades at each custodian each quarter. The review is documented in the LJIWM Compliance Manual. Trading fees charged by the custodians are also reviewed on a quarterly basis. LJIWM does not receive any portion of the trading fees. LJIWM makes a best case effort by comparing prices at various discount brokerages to maintain competitive client costs. LJIWM compares recent prices of fixed income sales online and reviews data before trades are made in client accounts.

Order Aggregation

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

Review of Accounts

Periodic Reviews

On a weekly basis, Martin S. Johnson (reviewer) will check accounts for inflows/outflows of cash, maturing bonds, and short-term performance of holdings. On a quarterly basis, reviewer will review manager performance, overall portfolio performance, and the appropriateness of client portfolios given client objectives. On an annual basis, reviewer will review manager performance, overall portfolio performance, and will rebalance asset allocation, if necessary.

Periodically, reviewers evaluate market trends and investment and economic news against client portfolios, and may make individual recommendations based on the relevance of new information to each client's portfolio. This type of review is triggered by major investment or economic news, economic reports, or other information which reviewers may deem to have an impact on client investments.

Review Triggers

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

Regular Reports

On at least an annual basis, clients will receive a report which includes economic highlights and an overview of each portfolio in which the client is invested. This overview discusses investment objectives, portfolio characteristics, asset allocation, overall portfolio performance, and a current statement of account positions and their values. In addition, on a quarterly basis, clients receive performance summaries. On a monthly basis, clients receive asset statements from the custodians of their respective investments.

Client Referrals and Other Compensation

Incoming Referrals

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

Referrals Out

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

Other Compensation

Martin S. Johnson is a licensed life agent and offers life, health, annuity, and disability services through Martin S. Johnson, Inc. (MSJ, Inc.) a licensed California insurance corporation. Martin S. Johnson is a sole shareholder and director of MSJ, Inc. All commissions and fees derived from insurance sales and services are received by MSJ, Inc. and are separate from any funds, activities, accounting, or other contract with LJIWM. MSJ, Inc. maintains separate books and records, and files separate income tax and information returns.

Custody**Account Statements**

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least monthly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements which include Comparative Portfolio Performance, Position Performance Summary, and Portfolio Comparative Performance Review provided by LJIWM.

Investment Discretion**Discretionary Authority for Trading**

LJIWM DOES NOT accept discretionary authority to manage securities accounts on behalf of clients. LJIWM DOES NOT HAVE the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, LJIWM consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given. The client approves the custodian to be used and the commission rates paid or commissions paid by the client to the custodian on certain trades.

Voting Client Securities

Proxy Votes

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

Unless the client designates otherwise, LJIBM votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. A copy of LJIBM'S proxy voting policy is available upon request.

Financial Information

Financial Condition

A balance sheet is not required to be provided because LJIBM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1200.00 per client, and six months or more in advance.

Business Continuity Plan

General

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

Disasters

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

Alternate Offices

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

Loss of Key Personnel

LJIWM has signed a Business Continuation Agreement with Erik Johnson to support LJIWM in the event of Martin S. Johnson's serious disability or death.

Information Security Program**Information Security**

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

Privacy Notice

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

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

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

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment. We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law. Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed. We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this Privacy Notice to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

LJIWM requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: a BA, an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Martin S. Johnson, CERTIFICATIONS

Martin Stanley Johnson; 1939 B.A., Baldwin-Wallace College; J.D., University of Connecticut School of Law; M.B.A. (Tax), Golden Gate University; Chartered Life Underwriter (CLU), The American College; Registered Principal, Investment Management and Research, Inc. (SEC. File No. 801-34435) 1989-1992; Vice President, E.F. Hutton & Company 1979-87.

Other Business Activities:

Martin S. Johnson Inc., Insurance Brokerage

Martin S. Johnson, Real Estate Broker

Additional Compensation: None

Supervision:

Erik Johnson is supervised by Martin Johnson, President. He reviews Erik Johnson's work through frequent office interactions as well as remote interactions. He also reviews Erik Johnson's activities through our client relationship management system.

SUPERVISOR'S contact information:

858-459-8818 duke@lajollawealth.com.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Erik Johnson, CERTIFICATIONS

Erik M. Johnson; 1969 B.A., University of California Los Angeles, Client Manager, Radiology Oncology Systems, 2008-10; President, Legendary Services, 2003-08.

Other Business Activities: Erik Johnson is currently not engaged in any other investment related business or occupation.

Additional Compensation: None

Supervision: Erik Johnson is supervised by Martin Johnson, President.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None