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**Wilsey Asset Management**

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February 20, 2012

This Brochure provides information about the qualifications and business practices of Wilsey Asset Management "WAM". If you have any questions about the contents of this Brochure, please contact us at (858)546-4306 or [brent@wilseyassetmanagement.com](mailto:brent@wilseyassetmanagement.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.

WAM is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training

Additional information about WAM also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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### **Item 3 Advisory Business-Asset Management Services**

Brent M. Wilsey doing business as Wilsey Asset Management ("WAM") offers personalized investment advisory services to clients as described below. WAM has been a Registered Investment Advisory firm since June 2009 and is owned by Brent M. Wilsey.

WAM provides investment advisory services to its clients on a discretionary basis. The advisory services include, among other items, providing advice regarding asset allocation and the selection of investments. WAM builds each of his clients portfolios using primarily individual equities and bonds.

Account management is guided by the stated objectives of the client. In addition, WAM considers the client's risk profile and financial status prior to making any recommendations. WAM has over \$123 million under discretionary management as of January 31, 2012.

#### **Consulting Services**

WAM also offers consulting services to clients on specific financial related areas as requested by clients. These areas may include asset allocation, investment planning or financial decision making/negotiation, among others

Where the client contracts with WAM for consulting services, the client must acknowledge that they only desire advice on the specific financial area agreed upon to be reviewed and/or analyzed. Furthermore, the client must agree to hold WAM harmless from any liability arising out of any area(s) that he has not reviewed.

#### **Retirement Services**

WAM manages 401K retirement accounts assets for clients of Paychex. From the list of available mutual funds, WAM will screen and select not more than 20 funds. These funds cover many different asset classes that WAM determines to be important for investors of various risk tolerances. WAM recommends funds that he believes will do best over the following 12 to 36 months. WAM also educates the employees on their options by holding on-site meetings. Funds are selected based on historical returns, expense ratios, the fund manager and current holdings listed in the fund. The performance of the funds will be reviewed periodically and any deemed changes will be made.

#### **Commentator**

Mr. Brent M. Wilsey hosts a one hour radio show on AM760 KFMB.

## Item 4 Fees and Compensation

### Advisory Accounts

Account management fees are paid quarterly, in advance and are non-negotiable. Fees are due on the first day of the calendar quarter, and may be billed directly to the client or deducted from the advisory account by LPL Financial as the custodian. Fees are based on the account's asset value as of the last business day of the prior calendar quarter and are prorated for accounts opened during the quarter. Annualized fees are as follows:

Annualized Fees From	Up To	Per Year
\$100,000	\$249,000	2.00%
\$250,000	\$499,000	1.9%
\$500,000	\$749,000	1.8%
\$750,000	\$1,249,999	1.6%
\$1,250,000	\$1,999,999	1.3%
\$2,000,000	\$4,999,999	1.1%
Over \$5,000,000		1.0%

**WAM may offer a lower fee percentage at his sole discretion based on the range of services being provided as it is reflected on the client's contract..**

LPL as the account custodian may charge fees, which are in addition to and separate from the management fee. Custodians may charge accounts for various transaction costs, retirement plan and administration fees. Advisory clients should also note that fees for comparable services vary and lower fees for comparable services may be available from other sources. Upon the termination of any account, any prepaid, unearned fee will be refunded.

## RETIREMENT PLANS(401K)

Paychex will pay WAM a flat .5% fee for the management of their accounts.

## CONSULTING SERVICES

Fees for consulting services are \$400.00 per hour. All clients who engage WAM for consulting services are charged for a minimum of one-hour consulting services. WAM requires that clients pay for the first hour in advance of services rendered with any remaining balance due upon completion of the contracted services. WAM requires all clients that contract with Mr. Wilsey for advisory consulting services to purchase a minimum of one-hour of time. If clients elect to implement recommendations there may be additional costs or charges associated with the implementation. These may include other compensation, transaction costs, retirement plan administration fees, and other mutual fund annual expenses. These fees are in addition to and separate from planning and consulting fees.

Clients are under no obligation to implement the recommendations put forth by WAM. Upon agreement termination, account fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to the client.

## **Item 5 Performance Based Fees and Side by Side Management**

WAM does not charge performance based fees(fees based on a share capital gains on or capital appreciation of the assets of a client).

## **Item 6 Types of Clients**

WAM provides portfolio management services to individuals, pension, profit sharing plans, trusts, estates or charitable organizations, corporations or business entities, banks or thrift institutions. There is a \$100,000.00 account minimum.

## **Item 7 Method of Analysis**

WAM uses mostly individual equities but will use ETF's, and bonds in managing client portfolios. Clients should keep in mind that investing in securities involves risk of loss that clients should be prepared to bear.

WAM uses fundamental methods for analyzing investment opportunities for managed accounts. Fundamental analysis means that the overall business is considered by reviewing a business' financial statements and financial health, its management and competitive advantages, and its competitors and markets.

Key factors WAM considers before adding or holding a company to its clients portfolio:

- \*Growth rates on sales and earnings per share
- \*Management effectiveness, return on capital and equity
- \*Financial strength, current ratio and total debt to equity
- \*Valuation ratios, Price/Earnings, Price/Book/Sale & Price/Cash Flow
- \*Management efficiency, revenue and net income per employee, receivables and inventory turnover

WAM conducts weekly analysis of its portfolios income statements, balance sheets and cash flow statements by using different financial ratios and growth rates. Investing in securities involves risk of loss that clients should be prepared to bear. WAM also uses a variety of sources of data to conduct analysis, such as financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, and company press releases.

## **Item 8 Disciplinary Information**

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm. WAM has no information applicable to this item.

## **Item 9 Other Financial Industry Activities and Affiliations**

LPL's parent company LPL Investment Holdings, Inc. is a publically traded company with shares listed on the NASDAQ Global Select Market under symbol "LPLA". Mr. Wilsey is a shareholder of LPLA.

Associated persons of WAM are also licensed insurance agents through one or more insurance companies. In such capacity, the associated person may offer insurance products and receive normal and customary commissions as a result of such a purchase. This may present a conflict of interest to the extent that the associated person recommends the purchase of an insurance product which results in commissions being paid to him/her as an insurance agent. Clients purchasing insurance from an associated person will receive certain disclosure documents (e.g. prospectus) and complete an insurance application process when conducting such transactions.

## **Item 10 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

WAM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at WAM must acknowledge the terms of the Code of Ethics annually, or as amended. Clients and prospective clients may request a copy of the firm's Code of Ethics by contacting Eladia Medin at WAM.

WAM and its associated persons may buy or sell securities for their personal accounts identical to those recommended to clients. This creates a potential conflict of interest. It is WAM's express policy that all persons associated with WAM must place the interest of the client ahead of their own when making personal investments. In addition, WAM requires that all client transactions be placed before associated person's personal transactions. WAM monitors trading by its associated persons.

## **Item 11 Brokerage Practices**

WAM requires clients direct LPL as the sole and exclusive broker dealer to execute account transactions. LPL is not paid a commission for executing transactions. Clients should understand that not all advisors require their clients to direct brokerage. By directing brokerage to LPL, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

WAM receives support services and/or products from LPL, which assist WAM to better monitor and service the clients accounts maintained at LPL. These support services and/or products may be received without cost, at a discount and/or at another negotiated rate, and may include the following:

- \*investment research
- \*pricing information and market data
- \*software and other technology that provides access to clients accounts
- \*compliance and/or practice management related publications
- \*consulting services
- \*attendance at conferences, meetings and other educational and/or social events
- \*computer hardware and/or software
- \*other products used by WAM in furtherance of its investment advisory business operations

Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by WAM to LPL or any other entity to invest any specific amount or percentage of clients in any assets in any specific securities as a result of the arrangement.

WAM may aggregate transactions for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual price applicable to the aggregate transaction will be averaged, the client account will be deemed to have purchased or sold its proportionate share of the security involved at the average price obtained. WAM may determine to not aggregate transactions, for example, based on the size of trades, the number of client accounts, the timing of the trades, the liquidity of the security and the discretionary nature of trades. If WAM does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means this practice of not aggregating may cost the clients money.

No agency cross transactions will be effected in asset management accounts.

### Consulting Services

The consulting services offered by WAM conclude upon delivery of analysis. The services offered do not include the implementation of the recommendations or any transactions. Clients are under no obligation to implement the recommendations through associated persons of WAM. Clients are free to select any broker/dealer or investment advisor for implementation.

WAM may suggest clients implement recommendations provided as part of the consulting services through associated persons of WAM in their capacity registered investment advisors or through various insurance companies in their capacity as independent insurance agents. If the client chooses to implement through an associated person of WAM, the associated person would receive normal and customary fees as a registered investment advisor or licensed agents resulting from any security or insurance transactions.

### Item 12 Review of Accounts

The clients receive both monthly and comprehensive quarterly statements describing all activity in the account for the period, including transactions, contributions, withdrawals, fees, and expenses, and the beginning and ending account value. In addition, the quarterly statement directs the client to contact the adviser with any changes or questions regarding investment objective, financial situation, or specific instructions regarding the management of the account to ensure that the client receives advice that is tailored to meet the client's specific needs. All client telephone calls are returned within 24 hours.

Quarterly client dinner/brunch are offered to all WAM clients under representative ID #2RGC, where current economic conditions and portfolio holdings are discussed. Clients unable to attend the event will be mailed the DVD and booklet for their information. Clients under BH4D are welcomed to attend the event but their accounts are built around ETF's.



### **Item 13 Client Referrals and Other Compensation**

WAM has a relationship with Mr. Tracey Gaines of Gaines and Welsh Financial Services as a cash solicitor. Solicitor's role under this agreement is limited solely to the introduction of prospective investors. Solicitor will clearly identify WAM to prospective investors, when soliciting a client for WAM. WAM will give disclosure information to client's and obtain client's signature on a written disclosure document. WAM will pay Solicitor a percentage of the investment advisory and management fees received from each of its clients in accordance with the schedule.

WAM will not pay, and Solicitor will not earn, any compensation hereunder until such time as the WAM is in actual receipt of such fees from the client.

### **Item 14 Custody**

LPL holds and maintains custody of WAM's clients assets. WAM clients receive monthly statements as well as a comprehensive quarterly statement. We recommend our clients carefully review their statements. In addition, clients may access their account information and activity at any time by login into LPL Account View via the internet.

### **Item 15 Investment Discretion**

WAM receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought and sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

### **Item 16 Voting Client Securities**

As a matter of firm policy and practice, WAM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. WAM may provide advice to clients regarding the clients' voting of proxies upon request.

### **Item 17 Financial Information**

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about WAM's financial condition. WAM does not have financial commitments that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

