



1153 Bordeaux Drive/Suite 109  
Sunnyvale, CA 94089  
(408) 747-1222 (Telephone)  
(408) 747-1364 (Facsimile)  
[www.pwjohanson.com](http://www.pwjohanson.com)  
[info@pwjohanson.com](mailto:info@pwjohanson.com)

**Form ADV Part 2A**  
June 1, 2012

This brochure provides information about the qualifications and business practices of PW Johnson Wealth Management. If you have any questions about the contents of this brochure, please contact Peter Johnson, Firm Principal, at (408) 747-1222.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities administrator. Additional information about PW Johnson Wealth Management is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's IARD number, which is 133538.

While the firm and its associates may be registered with the State of California, that registration does not imply an endorsement by any regulatory authority, nor imply a certain level of skill or training on the part of the firm or its associated personnel.

## **Item 2 - Material Changes**

The firm has amended its March 15, 2012 ADV Part 2A due to its recent conversion filing from an SEC to a state investment adviser pursuant to industry regulation. While this conversion has resulted in an amendment to the firm's advisory brochure, there have been no other material changes.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients and prospective clients are also able to download this brochure from the SEC's Website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), may contact our firm at (408) 747-1222, or by email at: [info@pwjohnson.com](mailto:info@pwjohnson.com) to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

## **Important Information**

Throughout this document, PW Johnson Wealth Management shall also be referred to as the "firm," "our," "we" or "us." The client or prospective client may be also referred to as "you," "your," etc., and refers to a client engagement involving of a single *person* as well as two or more *persons*.

***This brochure contains 27 pages and is not complete without all pages.***

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## **Item 4 - Advisory Business**

### **Description of the Firm**

Peter William Johnson, Jr. is a sole proprietor operating the California-domiciled registered investment advisor doing business as PWJohnson Wealth Management. Due to the firm's legal structure it is not a subsidiary of, nor does it control, another industry entity. In addition to the firm's original registration with the State of California in 1990, Mr. Johnson and others who may be associated with his firm may register or meet certain exemptions to registration in additional jurisdictions in which investment advisory business is conducted. Mr. Johnson also serves as the firm's Chief Compliance Officer (supervisor).

### **Description of Advisory Services Offered**

PWJohnson Wealth Management provides personalized, confidential financial planning and investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses.

We are 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 investment related products where we might receive a commission or finder's fee. We are not affiliated with entities that sell financial products or securities.

Advice is provided through consultation with you and may include: determination of financial objectives, identification of financial problems, cash flow management, tax strategies, risk management and insurance planning, education planning, retirement planning, estate planning, investment planning and portfolio management.

To begin, an introductory interview is provided by a qualified representative of our firm to determine the scope of services for your engagement. During or prior to your first meeting, we will provide you with our current ADV Part 2A brochure that incorporates our privacy policy, and you will receive an ADV Part 2B - Brochure Supplement (Advisory Personnel) from your investment advisor representative who will be assisting you. The firm will also ensure any material conflicts of interest are disclosed regarding our firm and its associates that could be reasonably expected to impair the rendering of unbiased and objective advice.

Should you wish to engage our firm for its services, we must first enter into a written agreement; thereafter, discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, we may require current copies of the following documents early in the process:

- Wills, codicils and trusts,
- Insurance policies,
- Mortgage information,
- Tax returns,
- Current financial specifics including W-2s or 1099s,
- Information on current retirement plans and benefits provided by your employer,
- Statements reflecting current investments in retirement and non-retirement accounts, and
- Completed risk profile questionnaires or other forms provided by our firm.

It is important that the information and financial statements you provide are accurate. We may, but are not obligated to, verify the information you have provided, which will then be used in the financial planning or investment advisory process.

### **Financial Planning Services**

Our services may be broad-based (sometimes coined “comprehensive planning”) or more narrowly focused as you desire. If several or all of the services described are provided together through a broad-based plan, the total time needed to complete these services may be less than the time it would take to complete each service separately because of the efficiency gained by combining more than one service.

Each plan will assess the likelihood of your achieving various goals and objectives dependent on various personal and financial assumptions, including portfolio design, lifestyle, work and retirement plans, pursuit of charitable and/or family goals and normal savings and consumption behavior. Depending on your needs, the plan may also address elements of tax and estate planning and insurance, including life, disability, health and long term care insurance.

### **Cash Flow Management**

We may conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

### **Tax Strategies**

While our firm does not offer tax preparation, we will work with your tax professional to assist in structuring your financial life to identify tax-saving opportunities. Our advice includes ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their “tax efficiency,” with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

### **Risk Management and Insurance Planning**

Our services include an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care. Advice is provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential costs of not purchasing insurance (self-insuring).

### **Education Planning**

Our college funding advisory services may include projecting the amount that will be needed to achieve post-secondary education funding goals, along with advice on ways for you to save the desired amount. Recommendations as to savings strategies are included, and advice might also include the “pros-and-cons” of various college savings vehicles such as Section 529 college savings plans and any advantages to you (i.e., reduction of income taxes) of using a particular state’s Section 529 plan or prepaid savings plan or another plan, such as Coverdell Education Savings Accounts.

### Retirement Planning

Our retirement planning services typically include projections of your likelihood of achieving your financial goals, with financial independence usually the primary objective. For situations where projections show less than the desired results, we may make recommendations that include showing you the impact on those projections by making changes in certain variables (i.e., working longer, saving more, spending less, taking more risk with investments). If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

### Estate Planning

This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We are strong advocates of preserving family values and preparing upcoming generations to not only handle wealth, but also to live satisfying, productive lives. Estate planning provides an opportunity to build sustainable legacies and enhance family relationships for those families that choose to follow this path. Toward these ends, we may facilitate family dialog, or engage trained teams of Collaborative Practice professionals to support you and your family in this process.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

### Investment Planning and Management

Our investment consultation services may involve providing information on the types of investment vehicles available, employee stock options, investment analysis and strategies, asset selection and portfolio design, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian (collectively, we term them as “service providers”). The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.

### Periodic Review

We strongly urge our clients to notify us of any change in their circumstances, and to schedule a review any time there is such a change. We normally schedule reviews at least two times per year, at which time we review portfolios and any other topics that are timely or relevant.

*In all instances involving our financial planning services, our clients retain full discretion over all implementation decisions and are free to accept or reject any recommendation we make.*

### Educational Workshops

We may provide educational workshops at no cost to attendees and on an “as announced” basis for groups desiring general advice on investments and personal finance. Topics may include issues related to financial planning, educational and estate planning, retirement strategies, or various other economic and investment topics. Our workshops are educational in nature and do not involve the sale of insurance or investment

products. Information presented will not be based on any one person's need nor do we provide individualized investment advice to attendees during our general sessions.

### **Investment Management Services**

We provide ongoing investment services under a non-discretionary authority agreement (defined in Item 16), and our services may include the following:

- Determining an investment strategy,
- Identifying your tolerance and appetite for risk,
- Considering any socially conscious objectives you may have,
- Developing an investment policy statement,
- Asset allocation,
- Asset selection,
- Regular portfolio monitoring, and
- Periodic rebalancing.

We will prepare an investment policy statement (IPS) or similar document reflecting your investment objectives, time horizon, tolerance for risk, as well as any account constraints you may have for the portfolio. Your investment policy statement will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since the investment policy statement, to a large extent, will be a product of information and data you have provided, you will be responsible for reviewing and providing final approval of the document/plan.

In almost all cases, our clients prefer to engage us for the full complement of ongoing, in-depth advice and financial planning services we offer, in addition to managing their investment assets. All aspects of your financial affairs are reviewed, sometimes including those of your children. We believe that lasting wealth is the result of sustained efforts over time, applied holistically within the context of each client's, or family's, lives.

Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, we will provide suggestions to you and implement as necessary on an ongoing basis.

The mutually agreed upon scope of work and associated fee will be provided to you in writing prior to the start of the relationship, and may include: cash flow management; risk management and insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax reduction strategies, as well as the implementation of recommendations within each area.

### **Client-Tailored Services and Client-Imposed Restrictions**

A broad-based plan is an endeavor that requires detail, therefore, certain variables can affect the cost involved in the development of the plan: the quality of your own records, complexity and number of current investments, diversity of insurance products and employee benefits you currently hold, size of the potential estate, special needs of the client or their dependents, among others.

When performed as a stand-alone service, the creation of a broad financial plan generally takes 10 to 20 hours, but can vary greatly. Alternatively, we may concentrate on reviewing only a specific area (modular planning), such as college funding, portfolio allocations, or evaluating the sufficiency of your retirement plan.



Note that when these services focus only on certain areas of your interest or need, however, your overall situation or needs may not be fully addressed due to limitations you may have established. Whether a broad-based or modular plan, we will present you with a summary of our recommendations, guide you in the implementation of some or all of them, and offer periodic reviews thereafter (see Item 13).

### **Wrap Fee Programs**

Our firm does not sponsor or serve as a portfolio manager in any investment program involving wrap fees.

### **Client Assets Under Management**

As of March 31, 2012, we managed approximately \$45.5 million<sup>1</sup> of client assets and only under a non-discretionary account agreement (see Item 16).

### **General Information**

We do not provide legal, tax preparation or accounting services. With your consent, we may work with your other advisors (attorneys, accountant, etc.) to assist with coordination and implementation of accepted strategies. You should be aware that these other advisors will charge you separately for their services and these fees will be in addition to our advisory fees.

Our firm will use its best judgment and good faith effort in rendering its services. PWJohnson Wealth Management cannot warrant or guarantee any particular level of account performance or that your account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, our firm will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by our firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from our adherence to your direction or that of your legal agent; any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding, nothing within our client agreement is intended to diminish in any way our fiduciary obligation to act in your best interest or in any way limit or waive your rights under federal or state securities laws or the rules promulgated pursuant to those laws.

## **Item 5 - Fees and Compensation**<sup>2</sup>

### **Method of Compensation and Fee Schedule**

#### **Asset-Based Fee**

An asset-based fee is assessed under our investment management agreement. Based on your agreement, fees will be assessed quarterly, in advance, and the portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation.

The engagement and associated advisory fee includes both financial planning and ongoing investment management services. Although the engagement is ongoing and fee adjustments are required based on the

<sup>1</sup> The term "assets under management" and rounding to the nearest \$100,000 are as defined by the SEC's 2010 *General Instructions for Part 2 of Form ADV*.

<sup>2</sup> Our firm, in its sole discretion, may waive our 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 you, etc.).

value of the investment portfolio, the length of service to a client is at the client's discretion. There is no minimum required contract term. Fees are based on the reporting value of your account as described in the following table.

<b>Assets Under Management</b>	<b>Asset-Based Fee Range</b>
First \$500,000	1.25% (125 basis points)*
Next \$500,000 (from \$500,000 to \$1,000,00)	1.00% (100 basis points)
Next \$4,000,000 (from \$1,000,001 to \$5,000,00)	0.75% (75 basis points)
Above \$5,000,001	0.50% (50 basis points)

\*Subject to a minimum annual fee of \$6,250 (paid in quarterly installments).

For the benefit of discounting your asset-based fee, we may aggregate investment supervisory services accounts for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member's or incompetent person's account. Should, however, investment objectives be substantially different for any two or more household accounts, requiring different investment approaches or operational requirements, we do reserve the right to apply our fee schedule separately to each account.

#### Fixed Fee (Retainer)

In certain circumstances, we may be engaged under an annual retainer agreement for our investment management services where we are compensated by a fixed fee, in lieu of an asset-based fee. The retainer fee is paid in quarterly installments, in advance, and the rate takes into consideration factors such as the complexity and amount of time dedicated to the engagement, number of accounts we are supervising, the associate with whom you are working and their experience level, other support services required (i.e., paraplanners and administrative staff), etc. The fee ranges from \$2,500 to \$20,000 per year.

#### Hourly Fees

For limited scope engagements, we may be engaged under an hourly fee arrangement. Fees for these services are \$295 per hour. You are billed in six-minute increments, and a partial increment will be treated as a whole.

#### Negotiable Fees

The services to be provided to you and their specific fees will be detailed in your engagement agreement. Our published fees are generally negotiable, unless there is a required minimum fee.

We strive to offer fees that are fair and reasonable in light of the experience of the firm and the services to be rendered. Similar services may be made available from other providers and potentially at a lower fee.

#### Client Payment of Fees

##### Hourly and Fixed Fees

Fees may be paid by check, bank draft, or credit card; cash, money orders, or similar forms of payment are not accepted. Fees are generally due upon your receipt of our invoice. Non-continuous service engagements that are greater than three months in duration may be billed quarterly, in arrears, and may be offset by an initial deposit (see *Advance Payment for Certain Services*).

### Asset-Based Fees

Annualized asset-based fees for our investment management services will be billed quarterly, in advance. Your first billing cycle will begin once your agreement is executed and your account is funded; fees for a partial period are prorated and will be based on the remaining calendar days in the reportable period. Fee payments will generally be assessed within 15 days of each billing cycle.

Accounts will be assessed in accordance with the values disclosed on the statement you receive from your custodian for the purpose of verifying the computation of the advisory fee. In the absence of a market value, we may seek an independent third-party opinion or a good faith determination by a qualified associate of our firm.

By signing the firm advisory agreement and your selected custodian account opening documents, you will be authorizing the withdrawal of both transactional (see following section) and investment management fees from your account. All fees will be clearly noted on your statements and we will send you written notice of the fees to be deducted from your account; this includes the total fee assessed, covered time period, calculation formula utilized, and the assets under management on which the fee has been based. The withdrawal of these fees will be accomplished by the selected custodian, not by our firm, and the custodian will remit our advisory fees directly to our firm.

### Additional Client Fees

Any custodial or transactional fees (sometimes termed *brokerage fees*) assessed by selected service providers, individual retirement account fees, or qualified retirement plan account termination fees will be borne by the accountholder and are per those provided in current, separate fee schedules of any selected service provider.

Fees paid by our clients to our firm for our advisory services are separate from any transactional charges a client may pay, as well as those for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other investments of this type. For example, mutual funds deduct expenses from investors' accounts for their costs of operations, and generally charge a management fee for their services as investment managers. These costs are collectively referred to as a fund's *expense ratio* (i.e., an expense ratio of 0.50 means that the mutual fund company charges an annual fee of 0.5% for their services.) These fees are in addition to the fees paid by you to us. Performance figures quoted by mutual fund companies in various publications reflect an investor's returns, after their fees have been deducted ("net of fees").

Further information about our fees in relationship to our business practices are noted in Items 12 and 14 of this document.

### Charged Prepayment of Client Fees

#### Advance Payment for Certain Services

Services involving a fixed or hourly fee generally require an advance payment of either the initial deposit of up to one half of the estimated engagement fee or the minimum quarterly installment fee (as defined in your agreement).

#### Past Due Accounts and Termination of Agreement

We reserve the right to stop work on any account where payment is more than 30 days overdue. In addition, we reserve the right to terminate any financial planning engagement where a client has willfully

concealed or refused to provide pertinent information about financial situations when necessary and appropriate, in our judgment, for providing proper financial advice.

#### **Termination of Services**

Either party may terminate the agreement at any time, which will typically be in writing. Should you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute.

If the firm's ADV Part 2A disclosure brochure was not delivered to you at least 48 hours prior to entering into the engagement agreement, then you have the right to terminate the engagement without penalty within five business days after entering into the contract. Should you terminate the engagement after this period, you may be assessed fees on a prorated basis for services incurred from either (a) as a new client, the date of the engagement to the date of the firm's receipt of written notice of termination, or (b) for all other engagements, the last billing period to the date of the firm's receipt of written notice of termination. In either case, we will promptly return any unearned amount upon receipt of a written termination notice.

For those clients who utilize our investment management services, our firm will not be responsible for future allocations, transactional services or investment advice upon receipt of a termination notice. Upon termination, it will be necessary that we inform the custodian of the account that the relationship between the firm and the client has been terminated.

#### **External Compensation for the Sale of Securities to Clients**

Our firm and any affiliated associate are engaged for fee-only services and we attempt to recommend "no load" investments whenever appropriate. We do not charge or receive a commission or mark-up on your securities transactions, nor will the firm and our associates be paid a commission on your purchase of a securities holding that we recommend.

We do not receive "trailer" or SEC Rule 12b-1 fees from any investment company we may recommend. Fees charged by issuers are detailed in prospectuses or product descriptions and you are encouraged to read these documents before investing. Our firm and its associates receive none of these described or similar fees or charges.

You will always have the option to purchase recommended investments through your selected service provider.

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

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as "performance-based fees." Performance-based compensation creates an incentive for a firm or their representatives to recommend an investment that may carry a higher degree of risk to a client. We do not use a performance-based fee structure because of the conflict of interest this type of fee structure poses.

Our fees will not be based on side-by-side management, which refers to a firm simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, does not conform to our firm's practices.

## **Item 7 - Types of Clients**

While the majority of our clients are individuals as well as their trusts and estates, we offer our advisory services to charitable organizations and foundations, businesses of various scale, and their pension and profit sharing plans. Our engagements are customized and, therefore, vary in both scope and length of service.

Our ability to provide our advisory services depends on access to important information about our clients. Accordingly, it is necessary that you provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to source of funds, income levels, your (or your legal agent's) authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our financial planning or investment strategy for you.

It is also very important that you keep us informed of significant changes that may call for an update to your financial and investment plans. Events such as job changes, retirement, a windfall, marriage or divorce, or the purchase or sale of a home or business can have a large impact on your circumstances and needs. We need to be aware of such events, so we can make the adjustments needed to your plan or advice in order to keep you on track toward your goals.

The minimum account size is \$500,000 of assets under management, which equates to an annual fee of \$6,250. In general, if an account falls below \$500,000 in value, the minimum annual fee of 1.25% of assets is charged. Depending upon circumstances, we will recommend an hourly engagement with a client if assets have diminished significantly below \$100,000.

We have the discretion to waive account minimums. Accounts of less than \$500,000 may be set up when it is anticipated you will add additional funds to the accounts bringing the total to \$500,000 within a reasonable period of time. Other exceptions may apply to our employees and their relatives, or relatives of existing clients. We also reserve the right to decline services to any prospective client for any non-discriminatory reason.

For new accounts, we reserve the right to charge a \$6,250 minimum annual fee for investment management accounts. As a result, clients with portfolio assets below the minimum account size may pay a higher percentage rate for their annual fees (based on portfolio size) than clients with greater assets under management.

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

### **Methods of Analysis and Investment Strategies**

#### **Method of Analysis**

We employ a diversified, adaptive approach. Our security analysis methods include fundamental, technical, and cyclical methodologies. The term "fundamental analysis" refers to looking at items that typically show up on a company's financial statements, including sales, profits, debt level, and so on. Similar approaches may also be used to evaluate the investment-worthiness of industrial sectors and national economies. "Technical analysis," on the other hand, generally refers to using patterns of price movements (of securities and indexes) to determine the health and relative outlook of individual securities as well as market levels. Cyclical methodologies look at past and current economic patterns of boom and bust in an attempt to determine the outlook for the overall economy and its impact on various securities prices.

Our main focus is on the relative attractiveness of various asset classes, rather than analysis at the individual security level. For the latter, we rely extensively on the expertise and skills of mutual fund managers with documented performance records, who in turn, use a variety of securities analysis methods. Thus, we achieve diversification of investment analysis methodologies, as well as securities. Since no one method works in every market situation, we believe this approach helps reduce risk for our clients, while delivering more effective real-time monitoring and adjustment than any single manager could.

We also take into consideration human behavior (“behavioral finance”) and macroeconomic conditions and expectations.

Our main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, regulatory filings with the SEC, government economic figures, and company press releases.

Other sources of information that we often use include Morningstar mutual fund and stock data, Litman/Gregory’s *AdvisorIntelligence*, Leuthold-Weeden’s monthly *Perception for the Professional*, fund company research and analysis, other internet-based sources such as *The Wall Street Journal*, U.S. Government websites, as well as discussions and consultations with other industry professionals.

We make asset allocation and investment policy decisions based on the above-noted elements and any other reasonable requirements you may prescribe. We will discuss with you how, in our best judgment, to meet your objectives while at the same time seeking a prudent level of risk exposure.

#### Investment Strategies

We recognize that each client’s needs and goals are different; subsequently portfolio strategies and underlying investment vehicles may vary. We base our investment process on Modern Portfolio Theory, which seeks to maximize investor returns consistent with reasonable risk. However, we believe that no academic theory or model is perfect, and that human behavior - which often appears to be irrational - plays a large role in market behavior and investment returns. When making portfolio and investment decisions, we consider a large number of factors, including, but not limited to: diversification and risk management, client goals and objectives, client risk tolerance, our current views and outlook for the U.S. and global economies, relative asset class valuations, and the investment skills and experience of mutual fund managers.

While we generally recommend mutual funds and ETFs/ETNs within a portfolio, account holdings (whether through our recommendation or pre-existing positions) 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, options contracts, futures contracts, and interests in partnerships. We do not make recommendations involving investments in initial public offerings (IPOs).

Our strategies may result in a recommendation involving: long-term and short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies). In every case, we consult with, and get approval from, you before making any purchases and sales in your portfolio.

Each portfolio is unique; we don’t use a cookie-cutter approach. We base your individual investment strategy and asset allocation on your stated goals and preferences, as defined in your IPS (see Item 4). You may change these objectives at any time.

## **Investment Strategy and Method of Analysis Material Risks**

### **Investment Strategy Risks**

Our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. As an investor you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or a substantial portion of your principal. Over longer periods of time, however, most markets have been shown to recover their losses. For this reason, we almost always encourage investors to stick with diversified investments during market drops, if at all possible. In general, risks regarding markets include interest rates, company, and management risk, among others. Examples include:

**Company Risk** – When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

**Financial Risk** – Excessive borrowing to finance 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. The risk that excess debt creates has been responsible for much of the recent, worldwide financial crisis. It can affect individual companies, industries (such as banking), and even entire countries and regions.

**Management Risk** – An investment with a firm varies with the success and failure of its investment strategies, research, analysis and determination of its portfolio. Therefore, the performance of an investment in a mutual fund or investment company may trail its peers, and may lose money for investors.

**Market Risk** – When the stock market as a whole or an industry as a whole falls, it can cause the prices of individual stocks to fall indiscriminately. This is also called systemic or systematic risk.

**Research** – When the firm's research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. The firm makes every effort to determine the accuracy of the information received but it cannot predict the outcome of events or actions taken or not taken, or the validity of all information it has researched or provided, which may or may not affect the advice on or investment management of an account.

**Socially Conscious Investing** – If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.



## **Security-Specific Material Risks**

**Equity (Stock) Risks** – Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of their buyers and sellers change. If an investor held common stock, or common stock equivalents, of any given issuer, they would generally be exposed to greater risk than if they held preferred stock and/or debt obligations of the issuer.

**ETF/ETN and Mutual Fund Risk** – ETFs/ETNs and mutual funds may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning an ETF, ETN or mutual fund also generally reflects the risks of their underlying securities.

**Currency Risk** – Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Fixed Income Risks** – Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk, including:

**Credit Risk** - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

**Duration Risk** - Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

**Interest Rate Risk** - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

**Liquidity Risk** - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading on any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

**Reinvestment Risk** – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

**Index Investing** – ETFs and indexed funds have the potential to be affected by "active risk" or "tracking error risk;" defined as inefficiencies in attempting to match the performance of an index. This can be caused by not owning all the assets in a given index or owning them in differing proportions (as compared to the index).

**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.



**QDI Ratios** – While many ETFs, ETNs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF/ETN or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. We may consider a holding’s QDI when tax-efficiency is an important aspect of the client’s portfolio.

## **Item 9 - Disciplinary Information**

### **Criminal or Civil Actions**

Neither PWJohnson Wealth Management nor its management has been involved in a reportable material criminal or civil action that would reflect upon our firm’s advisory business or the integrity of the firm.

### **Administrative Enforcement Proceedings**

Neither the firm nor its management has been involved in a reportable material administrative enforcement proceeding that would reflect upon our firm’s advisory business or the integrity of our firm.

### **Self-Regulatory Organization Enforcement Proceedings**

Neither the firm nor its management has been involved in reportable material self-regulatory organization enforcement proceedings that would reflect upon our firm’s advisory business or the integrity of our firm.

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

### **Broker-Dealer or Representative Registration**

Neither the firm nor its management is registered, nor is there an application pending to register, as a broker/dealer or a registered representative of a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) broker/dealer.

### **Futures or Commodity Registration**

Neither PWJohnson Wealth Management nor its management is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Our policies require our firm and its associates to conduct business activities in a manner that avoids actual or potential conflicts of interest between the firm, its employees and clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest which might reasonably compromise our impartiality or independence.

Neither PWJohnson Wealth Management nor its management is or has a material relationship with any of the following types of entities:

- broker/dealer, municipal securities dealer, or government securities dealer or broker;
- futures commission merchant, commodity pool operator, or commodity trading advisor;
- other investment adviser or financial planner;
- banking or thrift institution;

- accountant or accounting firm;
- lawyer or law firm;
- insurance company or agency;
- pension consultant;
- real estate broker or dealer;
- sponsor or syndicator of limited partnerships; or
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund).

Upon your request, we may provide referrals to various professionals, such as an attorney or accountant. We do not have an agreement with or receive fees from these professionals for these informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

### **Recommendation or Selection of Other Investment Advisors and Conflicts of Interest**

In cases where new prospective clients have portfolios that do not meet our minimum account size, we may provide referrals to other investment advisors. Prior to making such a referral, we will first ensure we have conducted an appropriate level of due diligence on the recommended investment advisor, to include ensuring their firm is appropriately registered or notice-filed within your jurisdiction. We do not receive any compensation for these informal referrals, and none of these other advisors is associated with or has any material relationship with PWJohnson Wealth Management.

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

#### **Code of Ethics Description**

We have adopted a Code of Ethics that sets forth our expectations for all associates regarding: standards of conduct, fiduciary duties, required compliance with all securities regulations, required reporting of personal trading, pre-approval of participation in any initial public offering or private placement, required reporting of violations of the Code to the Chief Compliance Officer, and required written acknowledgement of receipt of the Code by personnel.

A copy of the Code of Ethics is available to you upon request.

#### **Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

Neither our firm nor its associates are authorized to recommend to a client, or effect a transaction for a client, involving any security in which our firm or a “related person” (associates, their immediate family members, etc.) has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Our associates are prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

Our firm is able to provide a broad range of services to its clients, including financial planning and investment management; we may be paid a fee for some or all of these services. Due to our firm and its associate’s ability to offer two or more of these services and possibly be compensated for each aspect of the engagement, a potential conflict of interest may exist. Therefore, we note that you are under no obligation to act on our recommendations and, if you elect to do so, you are under no obligation to complete all of them through our firm or a service provider whom we may recommend.

### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

The firm does not trade for its own account (e.g., proprietary trading). Related persons may buy or sell securities that are the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related person receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading (i.e., trading ahead of a client's order), firm policy may require restricting or prohibiting related person's transactions in specific securities transactions. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

### **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

Please see our response in the previous section termed "Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest."

### **Item 12 - Brokerage Practices**

#### **Factors Used to Select Broker-Dealers for Client Transactions**

PWJohnson Wealth Management does not maintain custody of any of your assets (see Item 15). Your assets must be maintained in an account at a "qualified custodian" (generally a broker/dealer, bank or trust company) that is frequently assessed for its capabilities to serve as a custodian by their respective industry regulatory authority. Our firm is not a custodian nor do we have an affiliate that is a custodian.

When engaged to provide investment consultation services, we may recommend the service provider with whom your assets are currently maintained. Should you prefer a new service provider, our recommendation of another service provider would be based on your needs, overall cost, and ease of use.

If you have engaged our firm to provide investment management services, we will typically recommend the institutional services division of Charles Schwab & Company, Inc. ("Schwab"), a FINRA/SIPC member firm.<sup>3</sup> As stated earlier, our firm is independently owned and operated and is not legally affiliated with Schwab or any other firm we may recommend.

Schwab will hold your assets in an account in your name and will buy and sell securities when we instruct them. While we recommend that you use Schwab as your service provider, you must decide whether to do so and your account will be entered into via an account agreement directly with them. We technically do not open the account for you, although we will assist you in doing so.

Schwab offers independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. Our firm receives some benefits from Schwab through participation in their programs (please see Item 14). We periodically conduct an assessment of any service provider we recommend, including Schwab, which generally includes a review of their range of services, trade execution (see below), reasonableness of their fees, among other items, and in comparison to their industry peers.

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<sup>3</sup> Our firm is not, nor required to be, a Securities Investor Protection Corporation (SIPC). You may learn more about the SIPC and how it serves member firms and the investing public by going to their website at <http://www.sipc.org>.

### **Best Execution**

Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed in the previous section. We recognize our obligation in seeking "best execution" for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected service provider's transactions represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, we will seek services involving competitive rates but it may not necessarily result in the lowest possible rate for each transaction. We have determined that having Schwab execute our trades is consistent with our duty to seek "best execution."

We periodically review policies regarding our recommending service providers to our clients in light of our duty to seek "best execution."

### **Directed Brokerage**

We do not allow for or engage in directed brokerage involving our clients' accounts. Therefore, there is the potential for client transaction costs to be higher than those had the client been afforded the opportunity to direct some or all of their transactions to a broker of their choice.

### **Aggregating Securities Transactions**

Trade aggregation involves the purchase or sale of the same securities for several accounts at approximately the same time, and may also be termed "block" or "batched" orders. In doing so a firm may be able to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among accounts should there be differences in prices and commissions or other transaction costs that might have been obtained had such orders been separately placed.

Most trades made through PWJohnson Wealth Management involve mutual funds where trade aggregation does not garner client benefit through aggregation. Further, the firm provides its services under a non-discretionary agreement; making the building and execution of block trade orders impractical. Therefore, transactions for each of our clients will generally be independently executed. This may result in potentially higher transaction costs than those that may be batched.

We will inform you, in advance, should we include trade aggregation practices in the future.

### **Trade Errors**

On occasion we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with your account custodian. If an investment gain results from the correcting trade, the gain will remain in your account unless: (1) the same error involved other client account(s) that should have received the gain, (2) it is not permissible for you to retain the gain, or (3) we confer with you and you decide to forego the gain (e.g., due to tax reasons).

If the gain does not remain in your account and Schwab is your custodian, Schwab will donate the amount of any gain \$100 or greater to charity. If a loss occurs that is greater than \$100, we will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

## **Item 13 - Review of Accounts**

### **Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

#### ***Financial Planning Services***

You should contact our firm for additional reviews when making decisions about changes in your financial situation (i.e., the loss of a job, retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances).

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning and investment consultation services, and we recommend that they occur at least on an annual basis whenever practical.

Reviews will be conducted by your financial planner and normally involve analysis and possible revision of your previous financial plan or investment allocation.

Unless provided for in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current hourly rate.

#### ***Investment Management Services***

Investment management services accounts are reviewed on a periodic basis, typically quarterly and semi-annually, or more frequent when necessary (e.g., when market conditions dictate). These reviews are completed by your investment advisor representative and reviewed by our Chief Compliance Officer.

### **Review of Client Accounts on Non-Periodic Basis**

#### ***Financial Planning Services***

You are free to contact our firm for additional reviews when there are material changes that occur in your financial situation (i.e., loss of a job, early retirement, receipt of a significant bonus, an inheritance, the birth of a new child, or other circumstances), or should you prefer to change requirements involving your account. Non-periodic reviews are generally conducted by your financial planner and, depending on your engagement with our firm, may occur under a new or amended agreement.

#### ***Investment Management Services***

Additional reviews by your investment advisor representative and/or supervisory personnel may be triggered by news or research related to a specific holding, tax law changes, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. Accounts may also be reviewed for an additional holding or when an increase in a current position is under consideration.

Account cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review. We also offer a "cash reserve" service for our clients where we will ensure a pre-agreed cash minimum is available in a client's account and we may sell a sufficient amount of assets, with client approval, to bring these cash positions to a pre-agreed level.

*Account reviewers are also members of the firm's Investment Committee. They are instructed to consider your current security positions and the likelihood that the performance of each security will contribute to your investment objectives.*

## **Content of Client Provided Reports and Frequency**

You will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear.

Our clients receive communications on at least a quarterly basis. Advisory Service Agreement and Investment Management clients receive written quarterly updates. The written updates may include a net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives.

All firm performance reports (if any are provided) will be prepared in accordance with appropriate jurisdictional guidance. Clients are urged to carefully review and compare account statements that they have received directly from their service provider with any report received from our firm.

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

### **Economic Benefit From External Sources and Potential Conflicts of Interest**

We may receive an economic benefit from external sources in the form of the support products and services they make available to us and other independent investment advisers. As disclosed under Item 12, our firm participates in Schwab's institutional customer program and we may recommend either of these firms to our clients for custody and brokerage services.

There is no direct link between our participation in the program and the investment advice we give our clients, although our firm receives economic benefits through its participation in the program that are typically not available to "retail investors." These benefits include the following products and services (provided either 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 our clients;
- access to aggregated trading;
- the ability to have advisory fees deducted directly from our client's accounts per our written agreement;
- 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 services such as marketing, research, technology, and practice management tools or guidance provided to our firm by third party vendors.

Some of the products and services made available by a custodian through their program may benefit our firm but may not directly benefit client accounts. These products or services may assist us in managing and administering our client accounts, including accounts not maintained at either custodian. These other services are intended to help our firm manage and further develop our business enterprise. The benefits received by our firm or its associates through participation in a program do not depend on the amount of brokerage transactions directed to these institutions.

As part of our fiduciary duty, PWJohnson Wealth Management endeavors at all times to put the interests of our clients first. Our clients should be aware, however, that the receipt of any economic benefit by our firm or its associates in and of itself creates a potential conflict of interest and may influence our choice of Schwab for custody and brokerage services.

### **Advisory Firm Payments for Client Referrals**

We do not engage in solicitation activities as defined by statute.

Investment advisor representatives of our firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements.

A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant's membership fees may be used so that their name will be listed in some or all of these entities' websites (or other listings). Prospective clients locating our firm or one of our associates via these methods are not actively marketed by the noted associations. Clients who find us in this way do not pay more for their services than clients referred to us in another fashion, such as by another client. We do not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a solicitor engagement.

### **Item 15 - Custody**

Your funds and securities will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund companies, or transfer agent. Your assets are not held by our firm or any of our associates. In keeping with our policy of not having custody of our client funds or securities, we:

- Restrict our firm and associates from serving as trustee or having full power of attorney over a client account.
- Are prohibited from having authority to withdraw securities or cash assets from a client account. Advisory fees will only be withdrawn from a client investment account through a qualified custodian maintaining your account assets, per your written approval.
- Do not accept or forward client securities (i.e., stock certificates) erroneously delivered to our firm.
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future.
- Will not authorize any associate to have knowledge of a client's account access information (i.e., online 401(k), brokerage or bank accounts).

You will be provided with transaction confirmations and summary account statements provided directly to you by your selected service provider. Typically, these statements are provided on at least a quarterly basis or as transactions occur. We will not be the sole recipient of client account statements.

We may periodically produce client net worth statements that are generated from our firm's client relationship management system. Net worth statements contain approximations of bank account balances



provided by you, as well as the value of land and other “hard-to-price” assets. These net worth statements are used for long-term financial planning, where the exact values of assets are not material to the planning being done.

Should you receive periodic reports from our firm that includes investment performance information, you are urged to carefully review and compare your account statements that you have received directly from your service provider with any report from our firm.

#### **Item 16 - Investment Discretion**

We provide our various forms of investment advisory services (described in Item 4) under a *non-discretionary* account authority. Your prior approval must be made for each transaction with regard to the investment and reinvestment of account assets, or for the firm to give instructions to the service provider maintaining your account. In light of the requirement for your pre-approval, you must make yourself available and keep us updated on your contact information so that instructions can be efficiently effected on your behalf.

Through your execution of a limited power of attorney with your selected custodian, we will be specifically limited in our authority over your account to the placement of trade orders and the deduction of advisory fees (via the custodian). Our firm will retain information about all client account directions, limitations and rescissions.

#### **Item 17 - Voting Client Securities**

##### **Proxy Voting**

Our firm does not vote proxies on your behalf nor do we offer guidance on how to vote proxies. You will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to your holdings.

##### **Other Corporate Actions**

We will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. We will not offer guidance in these matters.

##### **Receipt of Materials**

You may receive proxies or other similar solicitations sent directly from your selected custodian or transfer agent. Should we receive a duplicate copy, note that we do not generally forward these or any correspondence relating to the voting of your securities, class action litigation, or other corporate actions.

#### **Item 18 - Financial Information**

##### **Balance Sheet**

We do not directly withdraw our fees from your bank or investment accounts. Our firm will not have custody of your assets. We will not collect fees from you of \$500 or more for services we will perform six months or more in advance.



Due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.

#### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

The firm and its management do not have a financial condition likely to impair our ability to meet our commitment to our clients.

#### **Bankruptcy Petitions during the Past 10 Years**

The firm and its management have not been the subject of a bankruptcy petition at any time during the past 10 years.

#### **Item 19 - Requirements for State-Registered Advisors**

##### **Principal Executive Officers and Management Persons**

Proprietor/Chief Compliance Officer (Supervisor)/ Investment Advisor Representative

**Peter William Johnson, Jr.** [Born: 1951/CRD # 1435611]

Educational Background and Business Experience

##### ***Educational Background***

Bachelor of Science in Finance, Santa Clara University; Santa Clara, CA  
Certificate in Personal Financial Planning, University of California, Santa Cruz - Extension

##### ***Business Experience***

PW Johnson Wealth Management (1990-Present)  
Sunnyvale, CA  
Proprietor/Chief Compliance Officer /Investment Advisor Representative

##### **Other Business Activities**

Mr. Johnson is the President of AdvisorPress, Inc., a small publisher of personal financial planning information. Activities include public financial literacy events held at no cost to consumers; digital and print book and article publishing.

Mr. Johnson is not actively engaged in another *investment-related* business or occupation; he is not registered nor has an application pending to register as a registered representative of a broker/dealer or associated person of a futures commission merchant, commodity pool operator, or commodity trading advisor. Therefore, he does not receive commissions, bonuses or other compensation based on the sale of securities or other investment products, including that as a registered representative of a broker/dealer, and including distribution or service ("trail") fees from the sale of mutual funds.

##### **Additional Compensation**

Mr. Johnson is not compensated for advisory services involving performance-based fees. He is not a senior executive of or insider to an issuer of a security. Our firm also prohibits employees from accepting or receiving additional economic benefit, such as sales awards or other prizes, for providing advisory services to its clients.

### **Disciplinary Information**

Registered investment advisors are required to disclose certain material facts regarding any legal or disciplinary events that would be material to your evaluation of each officer or a supervised person providing investment advice. No reportable information is applicable to this section under published guidelines.

### **Supervision**

Mr. Johnson serves in multiple capacities for PWJohnson Wealth Management: proprietor, supervisor, financial planner and investment advisor representative. We recognize the inability to segregate certain duties may potentially create conflicts of interest; policies and procedures are employed to ensure appropriate recordkeeping and supervision.

Questions relative to the firm, its services or this ADV Part 2A may be made to the attention of Mr. Johnson at (408) 747-1222.

Additional information about the firm, other advisory firms, or an associated investment advisor representative, including Mr. Johnson, is available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A search of this site for firms may be accomplished by firm name or a unique firm identifier, known as an IARD number. The IARD number for PWJohnson Wealth Management is 133538. You may also search Mr. Johnson by name or his reference number, which is 1435611.

The business and disciplinary history, if any, of an investment advisory firm and its representatives may also be obtained by contacting the California Securities Department at (800) 628-7937.

### **Business Continuity Plan**

We have developed a Business Continuity Plan 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 and manmade disasters.

Electronic files are backed up daily and archived offsite.

#### **Alternate Offices**

An alternate office has been identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact you within five days of any disaster that dictates moving our office to an alternate location.

### **Information Security Program**

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

### **Privacy Notice**

We are committed to maintaining the confidentiality, integrity and security of the personal information that you entrust 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 share a limited amount of information about you with your brokerage firm in order to open accounts and execute securities transactions on your behalf. We only disclose your personal information to other third parties with your specific, advance consent, and then only on a prescribed basis (such parties may include attorneys, accountants, mortgage lenders and others with whom you have established a relationship). You may opt out from our sharing information with any nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person.

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 will be destroyed.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ an internet firewall data barrier, secure data encryption techniques, and authentication procedures in our computer environment.

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.