

REDROCK WEALTH MANAGEMENT, LLC  
9480 South Eastern Avenue  
Suite 251  
Las Vegas, Nevada 89123

Phone: 702-987-1607  
Fax: 866-850-0922  
Web Site: [www.redrockwealth.com](http://www.redrockwealth.com)

February 14, 2012

FORM ADV PART 2A.  
BROCHURE

This brochure provides information about the qualifications and business practices of REDROCK WEALTH MANAGEMENT, LLC. If you have any questions about the contents of this brochure, please contact us at 702-987-1607. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about REDROCK WEALTH MANAGEMENT, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for REDROCK WEALTH MANAGEMENT, LLC is 134562.

REDROCK WEALTH MANAGEMENT, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Table of Contents

<i>Advisory Business</i>	3
<i>Fees and Compensation</i>	7
<i>Performance-Based Fees and Slide-By-Slide Management</i>	9
<i>Types of Clients</i>	10
<i>Methods of Analysis, Investment Strategies and Risk of Loss</i>	11
<i>Disciplinary Information</i>	12
<i>Other Financial Industry Activities and Affiliations</i>	13
<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</i>	14
<i>Brokerage Practices</i>	15
<i>Review of Accounts</i>	17
<i>Client Referrals and Other Compensation</i>	18
<i>Custody</i>	19
<i>Investment Discretion</i>	20
<i>Voting Client Securities</i>	21
<i>Requirements for State-Registered Advisers</i>	23
<i>Additional Information</i>	24

## **Advisory Business**

### Form ADV Part 2A, Item 4

REDROCK WEALTH MANAGEMENT, LLC's registration was granted by the US Securities and Exchange Commission on September 26, 2007. Gregory David Phelps (CRD number 2615524) is managing member and chief compliance officer of the firm. Mr. Phelps owns one hundred (100%) percent of the equity of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm or intermediaries who have any ownership interest in the firm. As of February 14, 2012, the firm managed assets on a discretionary basis in the amount of \$42,000,000. This represented 64 accounts. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. The firm does not participate in any wrap programs.

REDROCK WEALTH MANAGEMENT, LLC ("RWM") is a financial services firm which provides investment management services through the "Portfolio Architect" program, and financial planning services through the "Retirement Architect" program. The firm may also provide financial planning services on an hourly or project basis. The information contained in this document refers to both the investment management and financial planning services. These services are provided by experienced financial advisors, who are registered or licensed, as required, to provide these advisory services.

#### **PORTFOLIO ARCHITECT INVESTMENT MANAGEMENT SERVICES**

RWM provides investment guidance and portfolio management services through the Portfolio Architect program. All investment management services through the Portfolio Architect program are provided on a discretionary basis. RWM does not manage client investment portfolio assets on a non-discretionary basis due to the extensive additional time required to do so. Rather, RWM provides investment management services on a discretionary basis, but guided by the terms of the Investment Policy Statement each client is presented.

The Portfolio Architect program is designed for all investment management clients who don't require comprehensive retirement and financial planning. The Portfolio Architect program consists of the following services:

- Assessment of client's investment experience,
- A comprehensive analysis of client's investment needs and goals,
- Creation of a detailed personal risk tolerance and preference profile,
- Creation of a detailed Investment Policy Statement,
- Creation of an asset allocation plan,

- Specific investment recommendations,
- Account administration, setup and transfer,
- Development of a transition and reallocation plan,
- Ongoing portfolio monitoring,
- Daily portfolio rebalancing review,
- Ongoing portfolio management and administration,
- Quarterly performance reporting and detailed account analysis,
- Goal tracking and benchmark analysis,
- Semi-annual or annual in person portfolio reviews (depending on client complexity).

Investment research tools and portfolio allocation software are used to evaluate alternative portfolio designs and create investment strategies consistent with the Investment Policy Statement. In connection with developing a prospective portfolio, the client's existing investments are evaluated to determine whether the allocation and type of such assets meet the objectives set forth in the Investment Policy Statement. In most cases the financial advisor works with the client to develop a transition plan in order to reallocate investment assets.

Each Portfolio Architect client account is reviewed on a periodic basis. Generally speaking such reviews are performed semi-annually, or annually depending on the complexity of the client's financial needs and investment situation.

## RETIREMENT ARCHITECT COMPREHENSIVE FINANCIAL PLANNING SERVICES

For clients with investment portfolios in excess of \$500,000, RWM will provide comprehensive retirement and financial planning services IN ADDITION TO the Portfolio Architect program services. The additional services consist of:

- Creation of a "Total Client Profile" consisting of the clients:
  - Financial needs, goals and values,
  - Personal financials, including:
    - Income and expenses,
    - Assets and liabilities,

- Net worth statement,
- Pertinent personal relationships which may affect planning, including:
  - Family and friends,
  - Relevant organizations,
  - Other advisors such as tax, insurance, and estate,
- Primary financial concerns and pertinent financial issues,
- Creation of a comprehensive retirement plan custom tailored for each client to meet their retirement objectives,
- Expert relationship management, including:
  - Working with client's other advisors,
  - Introducing the client to other advisors needed,
- Annual or bi-annual Retirement Architect review (depending on client complexity and needs), including:
  - Goal tracking and progress benchmarking,
  - Plan management, monitoring and maintenance.

## PROJECT OR HOURLY FINANCIAL PLANNING SERVICES

RWM from time to time may provide clients financial and retirement planning consultative services on an hourly or project plan basis. Such services include:

- General financial planning consultations,
- Creation of a comprehensive financial plan including:
  - Client's personal financials,
  - Objectives and goals,
  - Recommendations to help the client meet their respective financial goals.

At the commencement of the financial and investment advisory relationship (Portfolio Architect and Retirement Architect), clients may terminate their contracts with RWM

within five days with written notice of intent to terminate without the imposition of any penalty. Subsequently, clients may terminate the agreement with 30 days written notice of intent to terminate. Accounts closed during a calendar quarter will have the advisory fee pro-rated for the period during which the account was open. As fees are billed and paid on a quarterly basis in advance, RWM will make a refund upon client request on a pro-rated basis of all unearned, pre-paid fees. RWM may also terminate the Wealth Advisory Services Agreement contract, provided 30 day written notice of intent to terminate is delivered to the client.

Unless other fee payment arrangements are made in advance, the client must provide written authorization to the custodian permitting the debiting of advisory fees from their account.

All client assets are held by the directed custodian. The firm does not have custody over client funds.

RWM may contract with other firms for the provision of services under the advisory agreement. Such services may include trade processing, collection of management fees, record maintenance and report preparation. Any fee for such services is agreed to between RWM and the service provider and does not result in additional charges to the client.

RWM generally requires a \$500,000 household investment management minimum, subject to adjustment by RWM.

## Fees and Compensation

### Form ADV Part 2A, Item 5

Fees assessed to Portfolio Architect and Retirement Architect program clients are based on the amount of client assets managed by RWM as follows:

	Total Account Value	Annual Advisory Fee
The First	\$500,000	1.25%
The Next	\$500,000	0.90%
The Next	\$2,000,000	0.70%
The Next	\$2,000,000+	0.50%

Fees are deducted quarterly directly from client accounts at the directed custodian, and based on the annual advisory fee rate. Fees are assessed in advance, and based off the clients account value at the end of the preceding quarter. All clients are subject to a minimum quarterly fee of \$1,250. Fees may be adjusted at the discretion of RWM. For the purpose of determining the fee, RWM may aggregate investment advisory accounts by persons related to or affiliated with the client (household accounts).

Ongoing retainer fees for the Retirement Architect program are the same as noted for the Portfolio Architect program. However because a substantial amount of upfront work goes into the Retirement Architect plan preparation and presentation, RWM may impose a \$1,000 Retirement Architect program fee. Generally speaking, a \$500 deposit will be required prior to the initial data gathering and fact finding meeting (Total Client Profile). Subsequently a \$500 payment will be required upon completion of the Retirement Architect program plan presentation. Should the client engage RWM for Portfolio Architect and Retirement Architect services on an ongoing retainer basis, the \$1,000 fee will be waived and rebated back to the client at their first quarterly billing.

Fees for hourly consultations or project financial planning are based on an hourly rate of \$250. Unless otherwise agreed upon, the fee charged for the consultation and preparation of a financial plan is a fixed fee or based on the hourly rate, as determined pursuant to discussions with the client. For hourly and project planning engagements, an estimate based on the complexity of the client's particular situation, and the involvement on the part of the financial advisor to implement the financial plan will be provided to the client prior to entering into an agreement to provide services. Fees for individual financial plan projects generally cost approximately \$2,000 - \$4,000.

\$100 will be charged to client for missing an hourly or project planning appointment. This policy will account for RWM's lost time and is not a penalty.

Unless other fee payment arrangements are made in advance, hourly and project planning clients make payment in either cash or check form at the time services are provided. The firm bills the client for any work completed up through the effective date of termination of the agreement.

All fees paid to RWM for investment advisory services are separate and distinct from the fees and expenses charged to the client in connection with any transaction to purchase or sell any investment, or any expense directly associated with management of the portfolio.

RWM is not compensated on the bases of a share of capital gains on or capital appreciation of the funds or any portion of the funds of the clients. RWM does not receive commissions or trails from mutual funds or brokerage firms - this applies to, but is not limited to, loads and 12b1 fees. RWM is a fee-only financial advisor firm.



**Performance-Based Fees and Slide-By-Slide Management**

Form ADV Part 2A, Item 6

None.

## **Types of Clients**

Form ADV Part 2A, Item 7

RWM works with individuals, pension and profit sharing plans, corporations and other business entities.

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

Form ADV Part 2A, Item 8

In conducting the analysis of securities, the firm uses a number of tools and resources including commercially available software technology, securities rating services, general market and financial information, and due diligence reviews. The principal sources of information include major financial publications and resource tools, security analysis and benchmarking software, prospectuses, and various financial and business resources including filings with the Securities and Exchange Commission. The main risk associated with our methods of security analysis is the potential for reliance on inaccurate information.

RWM's investment strategy and guidance is primarily based on long-term portfolio strategies which incorporate the principles of modern portfolio theory. RWM's investment approach is firmly rooted in the belief that markets are "efficient", and that investors' returns are determined principally by asset allocation decisions. RWM develops diversified portfolios, primarily through the use of less actively managed, asset class mutual funds (both open end funds and exchange traded funds) that are available generally to institutional investors and clients of a network of carefully selected advisors and separate account managers who follow a disciplined asset allocation investment approach.

The portfolio will be managed using passive asset class investments and the basic tenets of modern portfolio theory will be implemented, however the strategy may also include the potential to place an element of downside protection (i.e. inverse exchange traded funds) in the portfolio at various points in time to be determined by REDROCK WEALTH MANAGEMENT with the client. Inverse exchange traded funds which are introduced into the portfolio will be limited in amount to the asset class they are intended to provide downside protection for (i.e. an inverse S&P fund will be limited in amount to the amount of the portfolio exposed to equity investments). This strategy will be used sparingly generally speaking, and only in certain client situations.

The main risk associated with our core investment strategy is exposure to market volatility and loss of principal, however this is predominantly due to an asset allocation decision. In addition the downside protection strategy imposes the potential to miss upside in the equity markets. This risk is similar in nature to changing an investors asset allocation more conservatively in periods of severe market volatility.

### **Disciplinary Information**

Form ADV Part 2A, Item 9

None.

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

Form ADV Part 2A, Item 10

None.

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

Form ADV Part 2A, Item 11

RWM has adopted a Code of Ethics pursuant to SEC Rule 204A-1. This Code of Ethics is enforced by Mr. Phelps, the chief compliance officer of the firm. The Code of Ethics discusses the expected professional behavior to which all access persons shall be required to adhere. Also, the Code of Ethics creates standards in relation to personal securities transactions. The firm's Code of Ethics is available to clients and prospective clients upon request.

Because of the types of services offered and the securities typically recommended (mutual funds, Exchange Traded Funds or ETF's, or fixed income securities) it is unlikely that any security holding by the firm or any associated person would have an impact on the market and would not likely have any influence on any recommendation.

General policies and procedures:

It is the express policy of RWM that no person employed by the firm may benefit, either directly or indirectly from recommendations made to or transactions placed by or on behalf of advisory accounts.

Employees of the firm are generally precluded from buying or selling securities for their personal portfolio(s) if their decision is substantially derived, from information obtained through his or her employment unless the information relating to the investment decision is also available to the investing public on reasonable inquiry.

RWM expressly prohibits any employee from placing his or her interests ahead of its advisory clients.

RWM monitors personal trading activity and this activity is reviewed quarterly to ensure compliance with the firm's policies and procedures.

RWM emphasizes the unrestricted right of the client to decline to implement any advice rendered.

RWM emphasizes the unrestricted right of the client to select and choose any broker or dealer and/or insurance company they wish. RWM directs its employees that they must abide by and act in accordance with all applicable Federal and State regulations. Individuals who fail to comply with the firm's policies and procedures may be subject to sanctions and disciplinary action, including termination of employment.

## Brokerage Practices

### Form ADV Part 2A, Item 12

Clients will establish an account at a broker for execution of securities transactions and custodial services. RWM may in various circumstances decide to utilize or recommend the use of Charles Schwab and TD Ameritrade, national discount brokerage firms, as broker and custodian.

RWM participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD AMERITRADE"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. RWM receives some benefits from TD Ameritrade through its participation in the program.

RWM participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Company, Inc., a FINRA registered broker-dealer. Clients in need of brokerage and custodial services may have Charles Schwab & Company recommended to them. As part of the SI program, RWM receives benefits that it would not receive if it did not offer investment advice. Charles Schwab and TD Ameritrade have access to no load mutual funds as well as individual securities at discounted transaction costs. This arrangement allows the client to have access to mutual funds at a generally lower cost and permits the client's investments to be maintained in one location (minimizing administrative burdens for the client and the Advisor). We believe Charles Schwab's and TD Ameritrade's transaction costs are very competitive, however, the client may pay more or less with other brokerage firms. In light of the services available through Charles Schwab and TD Ameritrade, RWM might in certain circumstances be deemed to be receiving a benefit in the form of research, market information, and/or administrative services. When appropriate, research obtained from Charles Schwab and TD Ameritrade may be used to service all of RWM's clients. The client is free to select the broker or other service provider of his or her choosing. While the firm believes the service providers used by the firm provide benefits to the client, each client is expressly advised to evaluate any recommended broker or other service provider to ensure that the broker or service provider meets the clients' needs and to evaluate the rates or charges so that they are acceptable to the client. RWM does not receive commissions or trails from mutual funds or brokerage firms. This applies to, but not limited to, loads and 12b1 fees. In addition, as the customer is responsible for selecting the broker for any and all securities transactions, the firm does not typically negotiate the commission for or on behalf of the client. Moreover, and in light of the clients selection of the broker, any obligation as to obtaining the best execution for transactions is that of the client.

RWM participates in TD Ameritrade's institutional customer program and RWM may require clients to maintain accounts with TD Ameritrade/recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between RWM's participation in the program and the investment advice it gives to its clients, although RWM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services provided without cost or at a discount: duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to RWM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by RWM's related persons and may also pay or reimburse expenses including travel, lodging, meals and entertainment expenses) for RWM's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's advisor custody and brokerage services generally. Some of the products and services made available by TD Ameritrade through the program may benefit RWM but may not benefit its client accounts. These products or services may assist RWM in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help RWM manage and further develop its business enterprise. The benefits received by RWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by RWM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence RWM's choice/recommendation of TD Ameritrade for custody and brokerage services.



## **Review of Accounts**

Form ADV Part 2A, Item 13

**Financial and Retirement Planning Services:** Financial and Retirement Plans are reviewed by the financial advisor that prepared the plan. RWM recommends that financial and retirement planning clients have an annual review, possibly semi-annually depending on the complexity and stability of the clients financial situation.

**Discretionary investment advisory services:** Accounts for which investment advisory services are provided by firm personnel are reviewed on a periodic basis, not less than annually. The review is conducted by the investment professional responsible for the account management in association with the client. The review process consists of each of the following elements (if and as necessary): a comparison of the portfolio to the client's goals and objectives as outlined in the clients investment policy statement; an evaluation of the investment strategy relative to any change in client circumstances; a review of the assets in the portfolio. Clients may request that their accounts be reviewed more often than on a semi-annual basis, however additional reviews may be subject to additional charges.

Clients are provided monthly statements from the directed custodian, and quarterly performance reports will be made available from RWM. Clients will also be provided with online internet access to their investment accounts upon request to RWM.

## **Client Referrals and Other Compensation**

Form ADV Part 2A, Item 14

RWM participates in Charles Schwab & Co.'s, Schwab Institutional (SI) service program. While there is no direct linkage between the investment advice given and participation in the SI program, economic benefits are received which would not be received if RWM did not give bundled duplicate statements, access to a trading desk service SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client accounts; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly high minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SI program do not depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc.

### **Custody**

Form ADV Part 2A, Item 15

None.

## **Investment Discretion**

Form ADV Part 2A, Item 16

RWM may have limited discretionary authority which is created through the execution of a Limited Power of Attorney.

## **Voting Client Securities**

Form ADV Part 2A, Item 17

RWM does not vote proxy statements on behalf of advisory clients.



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

Form ADV Part 2A, Item 19

Not applicable.

## **Additional Information**

### **Form ADV Part 2A, Item 20**

In performing its services, RWM shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. The client retains absolute discretion over all investment implementation decisions and is free to accept or reject any recommendations made by RWM. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify RWM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/ revising RWM's previous recommendations and/or services.