

MARSHALL WHITE, INVESTMENT ADVISOR

FIRM BROCHURE

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This is the new Part 2A of Form ADV presented as the Firm Brochure.

Filed 28 March 2011

Firm Annual Amendment  
This Amendment

Filed 20 March 2012  
Filed 21 June 2012

Previous Annual Amendment

Filed 28 March 2011

This Brochure provides information about the qualifications and business practices of Marshall Lee White, doing business as Marshall White, Investment Advisor, a Sole Proprietor. If you have any questions about the contents of this Brochure, please contact me at 510-528-9484. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), nor by the California Department of Corporations.

Additional information about Marshall White, Investment Advisor also is available on the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

All material conflicts of interest regarding Marshall White and Marshall White, Investment Advisor, which reasonably could be expected to impair the rendering of unbiased and objective advice, are disclosed in this Brochure.

Item 2 Material Changes

The only Material Change to Firm business since the 03-20-2012 Annual Amendment is that because The Firm has less than \$100,000,000 in assets under management, The Firm no longer will be regulated by The Securities and Exchange Commission (SEC), but again will be regulated by the California Department of Corporations.

Item3

## TABLE OF CONTENTS

ITEM NUMBER	ITEM	PAGE
1	Introductory Information	1
2	Material Changes	1
4	Advisory Business Description	3
5	Fees and Compensation	4
6	Performance Fees and Side-by-side Management	4
7	Types of Clients	4
8	Methods of Analysis, Investment Strategies, and Risk of Loss	4
9	Disciplinary Information	5
10	Financial Industry Activities and Affiliations	5
11	Code of Ethics	5
12	Brokerage Practices	6
13	Review of Client Accounts	7
14	No Compensation for Client Referrals	7
15	Custody of Client Accounts	8
16	Investment Discretion over Client Accounts	8
17	Voting Client Securities	8
18	Financial Information About Marshall White, Investment Advisor	8
19	Requirements for State-Registered Advisors and Background Information for Marshall Lee White	9

#### **Item 4 Advisory Business Description**

A. & B.

Marshall White, CFP<sup>®</sup>, Registered Investment Advisor, has provided a full range of services as an independent, Fee-only Financial Planner and Investment Advisor since 1995. Marshall White advises and assists clients in formulating investing goals and objectives and then in evaluating, selecting, managing, and monitoring the investments.

He also advises and assists with cash management and budgeting; tax planning; estate planning; retirement planning; education planning; and insurance needs. Marshall White (hereafter MW) is a longtime Kensington resident who offers a free initial consultation.

#### ***Services:***

- Providing Investment Selection, Investment Management, and Monitoring Stocks,
- Bonds, Mutual Funds, Exchange-Traded Funds, and other Securities.
- Assisting in developing long-term investment plans with emphasis on Diversification (mix of stocks, bonds, cash, etc.); Foreign versus Domestic; Tax Management and Cash Management; Inflation Protection.
- Providing Ongoing Financial Services including periodic review of accounts with clients.
- Fee Only Financial Planning - No Commissions
- Minimum Account Size usually is \$200,000.
- Hourly Rate for Investment and Financial Planning Advice is \$200.
- Minimum Annual Fee is \$1000, for assets under management.
- Fee Maximum is 1% of total assets under management.
- Clients use their existing Brokerage Accounts or MW establishes accounts with a Discount Brokerage, such as Charles Schwab and Company.

#### ***Background and Experience:***

- Registered Investment Advisor with the California Department of Corporations (NOTE: Registration does not imply a level of skill or training).
- Personal Financial Planning Certification through University of California, Berkeley
- Certified Financial Planner<sup>™</sup> since 1998
- Member of Financial Planning Association

Hours: By Appointment Only

C. MW tailors advisory services to the individual needs and preferences of clients. Clients may impose restrictions on investing in certain securities or types of securities. For example, some clients prefer to seek out Socially Responsible Investments (SRIs).

D. MW does not participate in any Wrap Fee Programs.

E. MW currently assists about 100 clients manage their investment assets. Total assets under management currently are approximately \$80,000,000. MW only purchases securities for clients after each client approves a recommendation.

## **Item 5 Fees and Compensation**

Fees charged by MW are as follows:

A. MW is an independent Fee-only Financial Planner and Investment Advisor. This means that the only compensation MW receives for his services, or for any other reason or arrangement, is the fee charged a client. MW receives no commissions, referral fees, nor any other form of compensation.

Fees for Investment Advisory and Supervisory Services are based upon a combination of account sizes, time and effort required by MW to perform these services, and are based upon the overall complexity of client's circumstances. Fee maximum is 1% per annum of gross assets under supervision. All fees are negotiable. Fees are agreed upon initially and remain in effect until changed by mutual agreement. All fees are billed in arrears. Minimum account size is \$200,000. Minimum annual fee is \$1000.

B. MW bills clients for his services periodically in arrears, usually annually. MW no longer deducts his fees from client assets.

C. Clients should note that MW fees are in addition to annual management fees and other expenses charged by mutual funds, ETFs, and similar securities, that MW may recommend for client purchase. MW fees also are in addition to Transaction Fees charged by Brokerages to purchase and sell securities.

D. MW accepts no fees in advance. Lower fees for comparable services may be available from other sources.

E. MW neither charges nor accepts any compensation for purchase or sale of securities he recommends.

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

MW neither charges nor accepts any Performance-Based Fees.

## **Item 7 Types of Clients**

MW usually advises individuals, couples, families, small businesses, Trusts, Estates, and Charitable Organizations.

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

MW recommends diversified portfolios of listed securities, both U. S. and foreign, purchased on the major Exchanges. MW usually recommends core investment holdings of Index Mutual Funds, other mutual funds, Exchange-Traded Funds, and similar securities. MW also recommends individual stocks, Real Estate Investment Trusts (REITs), and Fixed-Income securities such as Certificates of Deposit, Municipal and Corporate Bonds, and U.S. Government Securities, when appropriate for a client.

MW uses Fundamental Analysis to evaluate securities to recommend to clients.

MW's main sources of securities and investment information include Books and Reports, Financial Newspapers and Magazines, Research Materials prepared by others, Corporate Rating Services, Annual Reports, and similar materials.

MW recommends a Buy and Hold long-term investment strategy. MW discourages frequent trading.

MW recommends that most clients hold a major portion of assets in equities (stocks, stock mutual funds, and similar securities) in an attempt to obtain portfolio growth and an offset to inflation.

Clients are warned that growth of their portfolios cannot be guaranteed. Investment in any stock, bond, or other security involves risk of loss of principal and/or income. Each security carries unique risks, securities markets carry characteristic risks, there are risks of timing, and there always are risks of unexpected events.

Stocks, stock mutual funds, and other Equity securities, characteristically are more volatile than Fixed-Income securities. Clients, then, should expect that investments in equity securities will fluctuate in value more than bonds and other Fixed-income securities.

### **Item 9 Disciplinary Information**

Neither Marshall Lee White nor Marshall White, Investment Advisor, has been the subject of any legal or disciplinary or administrative event, criminal or civil, from any Court, the Securities and exchange Commission (SEC), the California Department of Corporations, from any self-regulatory organization (SRO) nor any other entity, nor is there any event pending.

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

A. MW is not a Broker-Dealer.

B. MW is not any other form of Securities Dealer or Trader.

C. Most of MW's clients maintain investment accounts with the Discount Broker-Dealer Charles Schwab & Co. MW recommends Charles Schwab & Co. to clients when asked. When asked to open investment accounts by clients, MW opens the accounts with Charles Schwab & Co. because it is the largest Discount Broker-Dealer, and because MW believes Charles Schwab & Co. provides an excellent suite of services to clients. MW receives no client referrals, nor any compensation from Charles Schwab & Co., other than those routine services that Charles Schwab & Co. provides to other small, independent Investment Advisors and their clients.

MW has no other relationship or arrangement that is material to himself or MW, IA, or to clients, with any other Broker-Dealers, other Investment Advisors or Financial Planners, securities merchants, pool operators, or trading advisors, accountants, attorneys or other professional organizations, banking or thrift institutions, insurance companies, pension consultants, real estate brokers or dealers, sponsor or syndicator or limited partnerships, nor any similar entities.

D. If MW recommends other Investment Advisors to clients, MW receives no compensation, directly or indirectly.

### **Item 11 Code of Ethics**

Marshall White subscribes fully to the Codes of Ethics of the Financial Planning Association and the Certified Financial Planning Board of Standards, which state that Marshall White, as a fiduciary, has a duty of utmost good faith to act solely in the best interests of each of his clients, and, indeed, to place "the client's best interests first."

#### **FPA Code of Ethics**

This Code of Ethics is an expression of the financial planning profession's recognition of its

responsibilities to the public, to clients, to colleagues, and to employers. These principles apply to all Financial Planning Association members and provide guidance to them in the performance of their professional services.

**Principle 1 Integrity**

An FPA member shall offer and provide professional services with integrity.

**Principle 2 Objectivity**

An FPA member shall be objective in providing professional services to clients.

**Principle 3 Competence**

An FPA member shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which the designee is engaged.

**Principle 4 Fairness**

Clients, principals, partners, and employers shall disclose conflict(s) of interest(s) in providing such services.

**Principle 5 Confidentiality**

An FPA member shall not disclose any confidential client information without the specific consent of the client unless in response to proper legal process, to defend against charges of wrongdoing by the FPA member or in connection with a civil dispute between the FPA member and client.

**Principle 6 Professionalism**

An FPA member's conduct in all matters shall reflect credit upon the profession.

**Principle 7 Diligence**

An FPA member shall act diligently in providing professional services. Diligence is the provision of services in a reasonably prompt and thorough manner. Diligence also includes proper planning for and supervision of the rendering of professional services.

This FPA Code of Ethics was derived for the Code of Ethics and Professional Responsibility c 2002. Certified Financial Planner Board of Standards, Inc. All rights reserved. For a full version of FPA's Code of Ethics, please visit [www.fpanet.org/about/ethics.cfm](http://www.fpanet.org/about/ethics.cfm).

B. MW does not have material financial interest in any investment securities other than those listed securities held in his, or his family's, personal investment accounts.

C. MW follows his own general and specific investment counsel. Therefore, he routinely maintains in his own accounts, or those of family members, listed securities that he recommends to clients. MW anticipates no conflict of interest because he is not a registered representative with a broker-dealer, nor does he receive commissions, or other compensation, for securities transactions.

**Item 12 Brokerage Practices**

A. MW recommends that clients use Discount Broker-Dealers because fees usually are lower. MW routinely recommends Charles Schwab & Co. for client transactions. However, clients are free to choose any Broker-Dealer. MW recommends Charles Schwab & Co. because it is the largest Discount Broker-Dealer, and MW believes Charles Schwab & Co. provides clients with an excellent suite of services.

1. MW receives no material research or other so called "Soft Dollar" benefits from Charles Schwab & Co.
2. MW receives no client referrals from Charles Schwab & Co.

B. MW aggregates the purchase and sale of securities for various client accounts when such aggregation will provide a benefit to clients.

**C. Trading Policies and Procedures.** MW,IA Firm trading policies and procedures are designed to treat each client fairly and efficiently, and to ensure that each client has equal access to each investment opportunity.

Each client account is managed separately. Marshall White, himself, places each client trading transaction executed by the Firm. All MW Firm trading transactions are discretionary, in theory, because MW Firm receives trading authority when a client executes a new account application with Charles Schwab & Co., or with another broker-dealer, because client therein gives MW Firm Limited Power of Attorney. However, MW Firm (nor Marshall White, himself) places no trade without client approval. Thus, all decisions to execute a trading transaction originate with MW Firm, and/or with a client.

Marshall White usually recommends purchases and sales (routinely presenting alternatives) to clients. When a client agrees, Marshall White, or the client, executes resulting trades by mutual agreement. Clients also may make their own trading decisions and execute their own trading transactions, independent of the MW Firm. A client-originated trading transaction is so noted on the resulting Brokerage trade confirmation.

When Marshall White executes MW Firm trade transactions, he first separates trades for that day into (a) those for Family clients, and (b) into those for non-Family clients. Marshall White executes all non-Family transactions first, unless that trading order would be disadvantageous to a non-Family client.

To determine which client order in each category (Family or non-Family) will be placed at the beginning of the daily ordering queue, Marshall White uses a rotating alphabetical system. On the first transaction of the calendar year, Marshall White will start with clients whose last names begin with the letter "A". He then proceeds alphabetically through the client list for transactions to be made on that day. On the second trading day of the year, Marshall White will start with the letter "B", and so forth through the alphabet, and then repeat the alphabet. At the end of each trading day, a blotter of transactions will be printed out. The letter of the alphabet used to start the day's transaction queue will be noted on the blotter.

### **Item 13 Review of Client Accounts**

A. & B. MW reviews each client account quarterly, and annually to determine the extent to which an account continues to meet objectives established by client and advisor. More frequent reviews are performed when warranted, and when requested by the client.

Client and advisor receive monthly or periodic statements issued by whatever brokerage firm holds and administers that account. These statements include a record of all transactions.

C. Advisor reports periodically (at least twice annually) regarding the performance of each account. Advisor also reports to client when account changes or other factors warrant. Reports are written and/or oral, as appropriate, and as agreed between client and advisor in advance.

### **Item 14 No Compensation for Client Referrals**

A. & B. MW receives no economic benefit for his client referrals, nor does MW provide any economic benefits to others for client referrals.

### **Item 15 Custody of Client Accounts**

MW receives Limited Power of Attorney over client investment accounts when opening or transferring client accounts. MW, thus, theoretically has discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent. However, MW does not act without client instruction and approval. MW does not have Custody of client securities or funds, except when MW also is acting as principal on an account (e. g., occasionally, MW acts as Executor or Administrator for a client's estate). When MW does have Custody, Charles Schwab & Co. sends copies of all client account statements to a representative of said client. Client representatives should examine these statements carefully. MW provides no separate investment account statements.

### **Item 16 Investment Discretion over Client Accounts**

MW receives Limited Power of Attorney over client investment accounts when opening or transferring client accounts. MW, thus, theoretically has discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent. However, MW does not act without client instruction and approval.

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

When requested to by a client, MW provides proxy voting services.

Prior to voting, MW will inform client of any potential conflicts of interest. In order to address potential conflicts of interest, MW has adopted the following procedures:

1. MW almost always votes with management, as he does with his personal proxies, and family proxies.
2. If MW determines it is in client's interest to vote otherwise, or if MW perceives any potential conflicts of interest, MW will contact client to discuss, and MW will follow client's instructions.
3. MW will provide each client, or prospective client, with a copy of this proxy voting policy upon request.
4. MW includes a copy of this proxy voting policy in his ADV packet, which is always available to clients and prospective clients.
5. MW will provide clients with a record of how their proxies were voted upon request.
6. MW retains voted proxies, (or record thereof), for a minimum of five (5) years.

### **Item 18 Financial Information about Marshall White, Investment Advisor**

A. MW does not require or accept any fee prepayments.

B. Clients are welcome to inquire about the financial condition of MW,IA. MW knows of no financial condition of MW,IA that will impair its ability to provide efficient client services.



C. Neither MW, nor MW,IA has ever been the subject of any Bankruptcy Petition.

**Item 19 Requirements for State-Registered Advisors and Background Information for Marshall Lee White**

A. Marshall Lee White is the Sole Proprietor of Marshall White, Investment Advisor. MWs education and business background is as follows.

Year of Birth: 1939

Education:

Humboldt State College: BS = 1961. MS = 1963

Purdue University: PhD = 1967

U.C., Berkeley Personal Financial Planner = 1997

CFP Designee, Certified Financial Planner = 1998 to present.

Employed many years: UC,Berkeley as Lecturer & Research Biologist.

Employment for past 17 years: Investment Advisor: 1995 to present.

B. MW does not engage in any other business activity.

C. MW does not charge or accept Performance-Based Fees.

D. Neither MW nor MW,IA has been involved in any awards or judgments or arbitration claims in criminal, civil, self-regulatory, or administrative proceedings of any kind.

F. Supplementary CFP<sup>®</sup> Certification Explanation Statement

The CERTIFIED FINANCIAL PLANNER<sup>™</sup>, CFP<sup>®</sup> and federally registered CFP (with flame design) marks (collectively, the “CFP<sup>®</sup> marks”) are professional marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP<sup>®</sup> certification in the United States.

To attain the right to use the CFP<sup>®</sup> marks, an individual must satisfactorily fulfill the following requirements:

- **Education** - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- **Examination** - Pass the comprehensive CFP<sup>®</sup> Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to

test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;

- **Experience** - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and

- **Ethics** - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** - Complete 30 hours of continuing education every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- **Ethics** – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial services in the best interest of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

*Revised March 2011*