

**DONALD SHANE HOWAT  
PART 2B BROCHURE SUPPLEMENT**

**Item 1 – Cover Page**

Donald Shane Howat  
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**This brochure supplement provides information about Donald Shane Howat that supplements the McDermott Advisory Group brochure. You should have received a copy of that brochure. Please contact Christine Harmon at 302-778-5677 ext. 11 or at [office@wealthguide.net](mailto:office@wealthguide.net) if you did not receive the McDermott Advisory Group brochure or if you have any questions about the contents of this supplement.**

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

**Item 2 – Educational Background and Business Experience**

Donald Shane Howat  
Date of Birth: 09/10/1973

***Educational Background:***

University of Central Florida, Grad. 1997, B.S., Criminal Justice

***Business Experience:***

McDermott Advisory Group, Financial Advisor, 05/2006 – Present  
Cambridge Investment Research, Inc., Reg. Representative, 05/2006 Present  
Commercial Property Owner: Silverside Road, Suite 102, Wilmington DE 19810, 09/05 to Present  
H&R Block, Financial Advisor, 09/2002 – 05/2006  
1717 Capital Management, Reg. Representative, 06/1999 – 09/2002

**Item 3 – Disciplinary Information**

Donald Shane Howat has no legal or disciplinary events to report.

**Item 4 – Other Business Activities**

**Registered Representative of Cambridge Investment Research, Inc.**

Although McDermott Advisory Group ("MAG") does not sell products or services other than investment advice, Donald Shane Howat is separately licensed as a registered representative with Cambridge Investment Research, Inc. (CIR), a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting in  
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his separate capacity as a registered representative of CIR, Mr. Howat may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Mr. Howat may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based CIR account in addition to a MAG advisory account.

The receipt of commissions creates an incentive for Mr. Howat to recommend those products for which he will receive a commission. Consequently, the objectivity of the advice rendered to clients could be biased. Mr. Howat controls for this potential conflict of interest by discussing with clients both the advantages and disadvantages of establishing a fee-based account through MAG versus establishing a commission-based account through CIR. MAG does not require its advisor representatives to encourage clients to implement investment advice through CIR.

Mr. Howat does not earn commissions in fee-based accounts.

Mr. Howat will receive 12b-1 fees from certain mutual fund companies as outlined in the fund's prospectus. 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for Mr. Howat to recommend funds with 12b-1 fees over funds that have no fees or lower fees. Typically, Mr. Howat will receive 12b-1 fees only in commission-based brokerage accounts.

Clients are never obligated or required to establish accounts through MAG or CIR. However, if a client does not choose to accept Mr. Howat's advice or decides not to establish an account through CIR, Mr. Howat may not be able to provide management and advisory services to the client. Clients should understand that, due to certain regulatory constraints, Mr. Howat, in his capacity as a CIR registered representative must place all purchases and sales of securities products in commission-based brokerage accounts through CIR or other institutions approved by CIR.

### **Insurance Agent**

Donald Shane Howat is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Mr. Howat receives commissions for selling insurance and annuity products.

Mr. Howat may also receive other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of compensation and other incentive benefits may affect the judgment of Mr. Howat when recommending products to his clients. While Mr. Howat endeavors at all times to put the interest of his clients first as a part of MAG's overall fiduciary duty to clients, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest, and may affect Mr. Howat's decision making process when making recommendations.

Clients are never obligated or required to purchase insurance products from or through Mr. Howat and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

### **Item 5 – Additional Compensation**

Certain product sponsors may provide Mr. Howat with other economic benefits as a result of his recommendation or sale of the product sponsors' investments. The economic benefits received by Mr. Howat from product sponsors can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist Mr. Howat in providing various services to clients.

Although MAG and Mr. Howat endeavor at all times to put the interest of their clients ahead of their own interests or those of MAG's officers, directors, or representatives ("affiliated persons"), these arrangements present a conflict of interest which could affect the judgment of Mr. Howat when recommending investment products.

### **Item 6 – Supervision**

Daniel M. McDermott is the Chief Compliance Officer of McDermott Advisory Group. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives, including Donald Shane Howat. Daniel M. McDermott can be contacted at 302-778-5677.

### **Item 7 – Requirements for State-Registered Advisers – Legal and Financial Disclosure**

Donald Shane Howat has not been involved in award or otherwise been found liable an arbitration claim alleging damages in excess of \$2,500, or in any civil, self-regulatory organization, or administrative proceeding. Additionally, he has not been the subject of a bankruptcy petition.