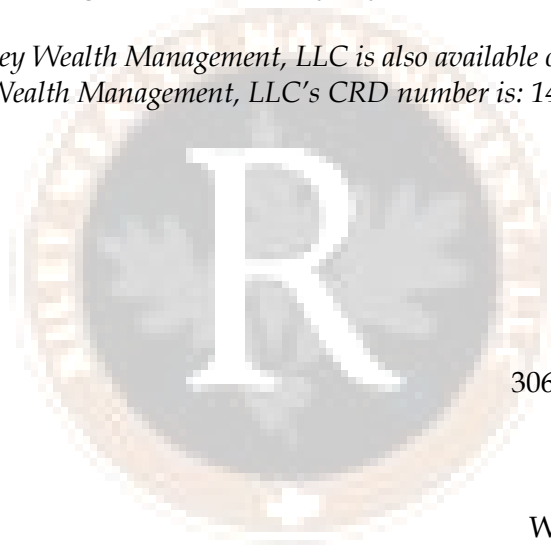


Riley Wealth Management, LLC

Client Brochure

This brochure provides information about the qualifications and business practices of Riley Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (817) 870-4680 or by email at: William.Riley@RileyWealth.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Riley Wealth Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Riley Wealth Management, LLC's CRD number is: 145734



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Registration does not imply a certain level of skill or training.

Version Date: 3/23/2012

Item 2: Material Changes

Riley Wealth Management, LLC has no material changes to report since the previous annual amendment filed on March 15, 2011.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm has been in business since January 16, 2008, and the principal owners are William Eugene Riley, Britta Ilene Horigan and Robin Elizabeth Peel Joe.

B. Types of Advisory Services

Riley Wealth Management, LLC (hereinafter "RWM") offers the following services to advisory clients:

Investment Supervisory Services

RWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. RWM constructs a plan to aid in the selection of a portfolio that matches each client's specific situation (income, tax levels, and risk tolerance levels). Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

RWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. RWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Selection of Other Advisors

RWM will direct clients to third party money managers; Abundance - Matson or Eqis Capital. RWM will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between RWM and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. Before selecting other advisors for clients, RWM will always ensure those other advisors are properly licensed or registered as investment advisor.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

Services Limited to Specific Types of Investments

RWM limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, third party money managers, REITs, insurance products including annuities, private placements, government securities. RWM may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

RWM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent RWM from properly servicing the client account, or if the restrictions would require RWM to deviate from its standard suite of services, RWM reserves the right to end the relationship.

D. Wrap Fee Programs

RWM does not participate in any wrap fee programs.

E. Amounts Under Management

RWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$106,153,839.00	\$0.00	12/31/2011

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
\$100,000 – \$500,000	1.50%
\$500,001 – \$1,000,000	1.25%
\$1,000,001 – \$2,000,000	1.00%
Above \$2,000,000	Negotiable

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Selection of Other Advisors Fees

RWM will direct clients to third party money managers; Abundance - Matson or Equis Capital. RWM will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between RWM and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency.

Equis Capital

If client invests in an All Equis Managed Account, your program fee will be:

Account Size	Maximum Annual Fee (%)
First \$250,000	0.75%
Next \$250,000	0.65%
Next \$1,500,000	0.55%
Next \$3,000,000	0.45%
Amounts Over \$5,000,000	0.35%

If client invests in a Multi-Manager Account, your program fee will be:

Account Size	Maximum Annual Fee (%)
First \$100,000	0.95%
Next \$150,000	0.85%
Next \$250,000	0.75%
Next \$2,000,000	0.65%<
Amounts Over \$2,500,000	0.55%

If client invests in a Managed EFT Account, your program fee will be:

Account Size	Maximum Annual Fee (%)
First \$250,000	0.75%
Next \$250,000	0.65%
Next \$1,500,000	0.55%<
Next \$3,000,000<	0.45%
Amounts Over \$5,000,000	0.35%

Abundance - Matson

	First \$500,000	Next \$500,000	Next \$3,000,000	Over \$4,000,000
Total Fee Range	1.00% - 1.40%	0.50% - 1.00%	0.40% - 0.75%	0.25% - 50%

Fees for these services are collected quarterly or monthly in arrears. Because fees are charged in arrears, no refund is necessary.

Financial Planning Fees

Hourly Fees

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is between \$150 and \$200. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly in arrears.

Payment of Selection of Other Advisors Fees

Selection of Other Advisors fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly or quarterly in arrears.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by RWM. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

RWM collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

William Eugene Riley and Britta Ilene Horigan are registered representative and accept compensation for the sale of securities to RWM clients.

1. This is a Conflict of Interest

RWM and its supervised persons will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the supervised person and RWM an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which RWM receives compensation, RWM will document the conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase RWM recommended products through other brokers or agents that are not affiliated with RWM.

Item 6: Performance-Based Fees and Side-By-Side Management

RWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

RWM generally provides investment advice and/or management supervisory services to the following Types of Clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

Minimum Account Size

There is an account minimum, \$100,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

RWM's methods of analysis include charting analysis, fundamental analysis, and technical analysis.

Charting analysis involves the use of patterns in performance charts. RWM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Investment Strategies

RWM uses long term trading, short term trading, short sales, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

RWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

William Eugene Riley and Britta Ilene Horigan are registered representatives. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. RWM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of RWM in their capacity as registered representatives.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither RWM nor its representatives are registered as a FCM, CPO, or CTA.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

William Eugene Riley and Britta Ilene Horigan are licensed insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. RWM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of RWM in their capacity as an insurance agent.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

RWM will direct clients to third party money managers. RWM will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between RWM and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that RWM has an incentive to direct clients to the third party money managers that provide RWM with a larger fee split. RWM will always act in the best interests of the client, including when determining which third party manager to recommend to clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

RWM does not recommend that clients buy or sell any security in which a related person to RWM has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of RWM may buy or sell securities for themselves that they also recommend to clients. RWM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of RWM may buy or sell securities for themselves at or around the same time as clients. RWM will trade client's non-mutual funds and non-ETF securities before they trade their own.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian, Raymond James Financial, Inc., was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. RWM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. *Research and Other Soft-Dollar Benefits*

RWM receives research, products, or services other from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that RWM must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for RWM to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution.

Soft Dollar Credits:

All monthly RJ IT costs	Approximate Totals:
Charges for the past year have run your firm approximately	\$11,000.00
RJ trade transaction fees	
Approximately \$48,000 based on an average of \$4,000 a month	\$48,000.00
eMoney	
\$550.00 per month	\$6,600.00
Pareto & RedTail CRM programs	
\$61.00 per month	\$732.00
NRS - (Our firm's online compliance and regulatory maintenance service)	
\$367.50 per month	\$4,410.00
Office Depot Orders submitted via our Raymond James Office Depot Account	
Last year office supplies ran us about \$5,464.99	\$5,464.99
UPS charges submitted via our Raymond James UPS accounts	
Last year our UPS charges ran us about \$1,210.37	\$1,210.37
Also, last year, UPS shipping from the RJ home office to us	\$123.51
LiveOffice: Regulatory required email audit & retention service	
\$615.00 quarterly	\$2,460.00

Dorsey Wright \$300.00 per month	\$3,600.00
Annual re-filing of our ADV Cost for this year's annual ADV renewal	\$1,825.00
Hotel, air-fair & training for Chad @ RJ's home office (Administrative assistant training)	2,000.00
Marketing materials directly through RJ (Business cards, letterhead, envelopes, brochures)	25,000.00
Ability to renew this soft dollar agreement/contract annually	\$112,425.87

2. Brokerage for Client Referrals

RWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. Clients Directing Which Broker/Dealer/Custodian to Use

RWM will not allow clients to direct RWM to use a specific broker-dealer to execute transactions. Clients must use RWM recommended custodian (broker-dealer). Not all investment advisers require their clients to direct brokerage. By requiring clients to use our specific custodian, RWM may be unable to achieve most favorable execution of client transactions and this may cost clients money over using a lower-cost custodian.

B. Aggregating (Block) Trading for Multiple Client Accounts

RWM maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by William Eugene Riley, CEO. William Eugene Riley is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at RWM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by William Eugene Riley, CEO. There is only one level of review and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least monthly a written report detailing the clients account which will come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

RWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to RWM clients.

B. Compensation to Non -Advisory Personnel for Client Referrals

RWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

RWM does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the Custodian, Raymond James Financial, Inc.

Item 16: Investment Discretion

For those client accounts where RWM provides ongoing supervision, RWM maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

Item 17: Voting Client Securities (Proxy Voting)

RWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

RWM does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither RWM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

RWM has not been the subject of a bankruptcy petition in the last ten years.

Item 19: Requirements For State Registered Advisers

A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background

RWM currently has two management person and two executive officer; William Eugene Riley and Britta Ilene Horigan. Their education and business background can be found on the Supplemental ADV Part 2B form.

B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)

William Eugene Riley and Britta Ilene Horigan's other business activities can be found on the Supplemental ADV Part 2B form.

C. How Performance Based Fees are Calculated and Degree of Risk to Clients

RWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

D. Material Disciplinary Disclosures for Management Persons of this Firm

No management person at RWM has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither RWM, nor its management persons, has any relationship or arrangement with issuers of securities.