

Integrity Wealth Management, Inc.

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03/31/2012

**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of Integrity Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at (509) 315-9532. 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 Integrity Wealth Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Integrity Wealth Management, Inc. is 150103.

Integrity Wealth Management, Inc. 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.

Item 2 - Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published —Amendments to Form ADV II which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 01/01/2012 is a new document prepared according to the SEC's new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this item will discuss only specific material changes that are made to the brochure and provide clients with a summary of these changes. We will also reference the date of our last annual update of this brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC rules, we will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of the business' fiscal year.

We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, this brochure may be requested by contacting Brian S. Simpson, Owner, Integrity Wealth Management, Inc. at (509) 315-9532 or brian.simpson@integritywm.net.

www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Integrity Wealth Management, Inc. who are registered, or are required to be registered, as investment adviser representatives of Integrity Wealth Management, Inc. We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Integrity Wealth Management, Inc.

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The two supplements shown below are not applicable to Integrity Wealth Management, Inc. Therefore, Integrity Wealth Management, Inc. is not required to include those two supplements in this brochure.

- **Part 2A, Appendix 1: The "Wrap Brochure"** - Integrity Wealth Management, Inc. does not sponsor a wrap fee program. Therefore, **Part 2A, Appendix 1** is not applicable to Integrity Wealth Management, Inc.

- **Part 2B: The "Supplement"** - Integrity Wealth Management, Inc. has no —supervised persons, therefore a biographical and disciplinary information page, which is **Part 2B: The "Supplement"** is not applicable to Integrity Wealth Management, Inc.

Integrity Wealth Management, Inc.

Advisory Business

Form ADV Part 2A, Item 4

Item 4 - Advisory Business

Principal Owner

Brian S. Simpson (10/31/1966) is the President and sole Owner of Integrity Wealth Management, Inc.. Mr. Simpson incorporated Integrity Wealth Management, Inc. in May, 2009.

(Throughout the remainder of this brochure, we may refer to Integrity Wealth Management, Inc. as "IWM" or the "Firm").

As of December 31, 2011, "IWM", manages \$40,545,178.00, of which \$39,752,822.00 is on a non- discretionary basis and \$792,356 is on a discretionary basis for a total of 51 clients.

Individual Customized Portfolios

IWM provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. IWM provides money management services, custom designed to each client's specific goals, objectives and risk tolerance. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

IWM is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

IWM does not act as a custodian of client assets. The client always maintains asset control. IWM places trades for clients under a limited power of attorney.

Asset Management

Assets are invested primarily in no-load mutual funds, exchange-traded funds, and individual stocks and bonds with Fidelity Investments or TD Ameritrade. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Fidelity Investments and TD Ameritrade charge separate transaction fees for mutual funds, exchange traded funds, stocks and bonds. IWM does not receive any compensation, in any form, from fund companies. Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, and mutual funds shares), U. S. government securities, and interests in publicly traded partnerships

Integrity Wealth Management, Inc

Fees and Compensation

Item 5 - Fees and Compensation

IWM is a fee based investment advisor. IWM bases its fees on a percentage of assets under management. The initial total assets under management is determined from the amount indicated on the investment advisory agreement and when the agreement is signed. The annual fee is based on a percentage of investable assets according to the following schedule:

Portfolio Value	Annual Fee
Up to \$250,000	1.25%
\$250,001 - \$500,000	1.00%
\$500,001 - \$2,000,000	0.80%
\$2,000,001 - \$5,000,000	0.60%
Above \$5,000,000	0.50%

Certain pre-existing clients may be subject to a different fee schedule. IWM may have current client relationships which pay fees that are higher or lower than the fee schedule above.

Fees are based on the average daily balance of the total market value of the securities assets in the investment account. The specific manner in which fees are charged by IWM is established in a client's written agreement with the Firm. Advisory fees are automatically deducted from your account directly by your account custodian, which in the majority of instances will be Fidelity Investments or TD Ameritrade.

Types of Agreements

The following agreements define the typical client relationship:

1.

Discretionary: A Discretionary contract allows your FA to execute trades for your account at his or her discretion without requiring your prior approval. If you so chose, we will accept discretionary authority (by contract) to manage securities accounts on your behalf. This will give IWM the authority to determine, without obtaining your specific consent, the securities to be bought or sold, and the amount of the securities to be bought or sold for your account. However, if a blanket trading authorization has not been given your FA will consult with you prior to each trade to obtain approval.

Non-Discretionary: Non-discretionary agreements require IWM to obtain your permission prior to executing each trade.

Integrity Wealth Management, Inc.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

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

IWM does not use a performance-based fee structure because of the potential conflict of interest. IWM believes that performance-based compensation creates an incentive for an adviser to recommend an investment that may carry a higher degree of risk to the client. Fees are based on assets under management only.

Types of Clients

Form ADV Part 2A, Item 7

Item 7 - Types of Clients

IWM provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and businesses.

Client relationships vary in scope and length of service

Account Minimums

The minimum account size is \$80,000 of assets under management, which equates to an annual fee of \$1,000.00.

When an account falls below \$80,000 in value, the minimum annual fee of \$1,000.00 is charged. Depending upon circumstances, IWM will sign an *Hourly Agreement* with the client if assets have diminished significantly below \$80,000. The hourly charge may vary between \$200-\$300 per hour.

IWM has the discretion to waive the account minimum and minimum annual fee. Accounts of less than \$80,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$80,000 within a reasonable time. Other exceptions will apply to employees of IWM and their relatives, or relatives of existing clients. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Integrity Wealth Management, Inc.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

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

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include research subscription services, financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Some specific sources of information that IWM may include:

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Newsletters/subscription service:

- Morningstar Advisor Workstation
- StockCharts.com
- Valueline
- Telechart 2000
- Option Investor Inc.
- Investor's Business Daily
- Black Diamond Performance Reporting

Research Provider:

- Allianz Investments
- Envestnet Advisor
- Payden & Regal Investment Management
- Goldman Sachs, Inc.
- JP Morgan Capital Management, Inc.
- Harding Loevner Global Investments

Online Sources:

- Bloomberg
- Wisdom Tree
- Trading Economics
- Advisor's Asset Management, Inc.
- Yahoo Finance
- Ipath ETN
- Lazard Investments
- Short Squeeze
- Asia Times
- Ishares
- Big Wave Trading

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

Integrity Wealth Management, Inc.

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- 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.
- 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.

- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a 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.

Integrity Wealth Management, Inc.

Disciplinary Information

Form ADV Part 2A, Item 9

Item 9 - Disciplinary Information

Brian S. Simpson and IWM have never been disciplined. Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Brian S. Simpson or the integrity of his management. Brian S. Simpson has never been disciplined, so he has no further information applicable to Item 9.

Integrity Wealth Management, Inc.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Item 10 – Other Financial Industry Activities and Affiliations

Brian S. Simpson has no other financial industry activities and affiliations other than with his firm, Integrity Wealth Management, Inc.

Integrity Wealth Management, Inc.

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

Form ADV Part 2A, Item 11

Item 11 – Code of Ethics

IWM's Code of Ethics sets forth standards of conduct and requires compliance with securities laws. Its policies and procedures relating to personal investment activities are below. Brian S. Simpson is the firm's founder and only employee.

Confidentiality: Integrity Wealth Management does not share or sell client information in any way, shape, or form.

Conflicts of interest: IWM will receive economic benefit from any of the broker/dealers that he recommends: Benefits to IWM include research related services, tools used to place trades, duplicate documents, and having the clients' advisory fee deducted from the clients' accounts. Currently, IWM recommends Fidelity Investments or TD Ameritrade based on the reasonableness of commissions for services they provide.

Trading: Brian S. Simpson buys and sells some of the same securities that he trades for clients. He bases investment decisions on the client's investment objective. IWM does not own any securities, nor will it buy or sell securities for its own account in the future. Brian S. Simpson anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which he has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which he directly or indirectly has a position of interest. Brian S. Simpson may trade for his own accounts in securities which are recommended to and/or purchased for his clients. The Firm's Code of Ethics is designed to assure that the personal securities transactions will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions. Trading is continually monitored to reasonably prevent conflicts of interest between Brian S. Simpson and his clients.

Fiduciary duty: Brian S. Simpson has a fiduciary duty to his clients. Integrity Wealth Management's Code of Ethics involves the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

Records: Brian S. Simpson will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order. It is Integrity Wealth Management's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Brian S. Simpson will also not cross trades between client accounts.

Integrity Wealth Management, Inc.

Brokerage Practices

Form ADV Part 2A, Item 12

Item 12 – Brokerage Practices

Selecting Brokerage Firms

IWM does not have any affiliation with product sales firms. IWM uses Fidelity Investments or TD Ameritrade as a custodian based on the proven integrity and financial responsibility of their firms and the best execution of orders at reasonable commission rates. IWM does not receive fees or commissions from any of these arrangements.

Clients are free to select any broker/dealer they wish.

IWM does not receive any soft dollar fees. However, IWM receives back office trading software and support from Fidelity Investments and TD Ameritrade via their trading software. This software is provided without charge to IWM. All clients benefit from this software as it reduces the firm's overall expenses.

The selection of Fidelity Investments or TD Ameritrade as a custodian for clients is not affected by this trading software and support.

Integrity Wealth Management, Inc.

Review of Accounts

Form ADV Part 2A, Item

Item 13 - Client Reviews

Clients' accounts are reviewed monthly via Black Diamond Performance Reporting, Inc.. Accounts are reviewed more frequently than monthly if there is any unusual activity in the securities held by such account. Additionally, if macro economic events could potentially impact a client's portfolio value, IWM will review securities to evaluate appropriateness. Should concerns deem action IWM will communicate with clientele.

Clients' receive a monthly performance report prepared by Black Diamond Performance Reporting, Inc. detailing their asset allocation, income earned, appreciation or depreciation on portfolio assets and the fees paid to IWM. In addition, their custodian will provide a quarterly statement to them as well.

Integrity Wealth Management, Inc.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

Item 14 - Client Referrals and Other Compensation

Incoming Referrals

IWM has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

IWM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Integrity Wealth Management, Inc.

Custody

Form ADV Part 2A, Item 15

Item 15 - Custody

All assets are held at Fidelity Investments or TD Ameritrade, a qualified custodian, which means they provide account statements directly to clients at their address of record on a monthly basis. IWM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Clients receive monthly statements from Integrity Wealth Management, which are prepared by Black Diamond Performance Reporting, Inc. IWM statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Integrity Wealth Management, Inc.

Investment Discretion

Form ADV Part 2A, Item 16

Item 16 - Investment Discretion

IWM, in some client relationships, accepts discretionary authority to manage securities accounts on behalf of clients. IWM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, IWM consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given i.e. non-discretionary trading authority. Clients determine which type of relationship, discretionary or non-discretionary, best suits their investment needs objectives prior to any trades being placed on their behalf.

The client approves the custodian to be used and the commission rates paid to the custodian. IWM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Integrity Wealth Management, Inc.

Voting Client Securities

Form ADV Part 2A, Item 17

Item 17 - Voting Client Securities

As a matter of firm policy and practice, Integrity Wealth Management, Inc. and Brian S. Simpson do not have any authority to and do not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Brian S. Simpson may provide advice to clients regarding the clients' voting of proxies.

Integrity Wealth Management, Inc.

Financial Information

Form ADV Part 2A, Item 18

Item 18 - Financial Information

IWM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.

A balance sheet is not required to be provided because IWM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Integrity Wealth Management, Inc.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

IWM is not a state registered investment advisor

Integrity Wealth Management, Inc.