



This brochure provides information about Ironwood Wealth Management, LLC's ("Ironwood", "Advisor" or "Firm") qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (480) 776-5960 or by email at [contactus@ironwoodfinancial.com](mailto:contactus@ironwoodfinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about Ironwood is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (under "investment adviser firm" and type in our Firm name).

We are a Registered Investment Adviser (RIA) Firm. Our registration as an RIA does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

FEBRUARY 1, 2012

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## ITEM 2 – MATERIAL CHANGES

This brochure, dated February 1, 2012, has been prepared by Ironwood to meet new SEC requirements. This section of the brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We may, at any time, update this brochure and then either send you a copy or offer to send you a copy (either by email or in hard copy form). At minimum, a new brochure will be offered within 120 days of the close of each fiscal year.

As of our 2011 annual offering, the following changes have been made:

- Item 4.e: Assets under management have been updated.

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## ITEM 4 – ADVISORY BUSINESS

### 4a: Firm Description

Ironwood was established in July 2009 by the managing members. The Ironwood's main office is located in Phoenix, Arizona.

#### 4a1: Principal Owners

- Cean N. Kenefick-Rogers, CFA, Managing Member and Chief Compliance Officer: crogers@ironwoodwm.com | (480) 776-5960
- Alexander D. Parrs, CFA, Managing Member: aparrs@nextfinancial.com | (520) 318-4600
- Daniel S. Nentl, Managing Member: daniel.nentl@nextfinancial.com | (520) 318-4600
- Alexander D. Marek, Managing Member: amarek@ironwoodwm.com | (480) 776-5960
- Rydan D. Case, CFP, Managing Member: rcase@ironwoodwm.com | (480) 776-5960

### 4b: Types of Advisory Services

Ironwood offers a wide range of investment advisory and portfolio services tailored to meet its clients' investment objectives. The Advisor works with each client to provide a suitable investment strategy. We request each client grant us ongoing and continuous discretionary authority to implement the Ironwood's investment recommendations without the client's prior approval of each specific transaction. In certain cases we may allow for the client to grant non-discretionary authority which requires consent prior to each transaction.

Client services include:

- Investment Strategies
- Investment supervisory services
- Consultations
- Financial planning
- Pension and profit sharing planning
- Endowments
- Foundations
- Business Accounts

#### **4c: Client Tailored Relationships and Restrictions**

As a fiduciary, Ironwood always acts solely in the client's best interests. Each client's portfolio is customized based on the client's investment objectives. Clients may make requests or suggestions regarding the investments made in their portfolio. Restrictions on trading which, in the Advisor's expert opinion, are not in the client's best interest cannot be honored.

#### **4d: Wrap Fee Program**

##### **Program Description**

Ironwood Wealth Management, LLC Wrap Fee Program has been designed to connect Ironwood Wealth Management, LLC clients with professional in-house money managers and investment vehicles suitable for their financial circumstances and investment objectives. For complete information regarding Ironwood Wealth Management, LLC's program, please refer to the brochure.

#### **4e: Assets under Management (AUM)**

Ironwood Wealth Management, LLC, as of December 31, 2011, has \$130,000,000.00 in discretionary reportable Assets under Management and \$16,000,000 .00 in non-discretionary reportable Assets under Management for a total of \$146,000,000.00.

### **ITEM 5 – FEES AND COMPENSATION**

#### **5a: Tiered Fee Schedule**

<b>Assets Under Management</b>	<b>Annual Fee (%)</b>
Less than \$100,000	2.50%
\$100,001 to \$500,000	2.00%
\$500,001 to \$2,000,000	1.50%
\$2,000,001 to \$5,000,000	1.00%
\$5,000,001 and above	Negotiable

The above fees may be negotiable in special circumstances.

Compensation for our services will be calculated in accordance of a signed agreement with our client. We may modify the terms of the agreement with at least 30 days prior written notice.



## **5b: Selection of Other Advisors' Fees**

Ironwood does not select other advisors.

## **5c: Fee Payment Options**

### *Investment Management Fees*

Ironwood fees are paid from your account by the custodian when we submit an invoice to them. The invoice we submit shows the amount of fees, the value of your assets on which the fees are based, and the specific manner in which the fees are calculated. If there is insufficient cash in your account, securities may be sold. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges.

Ironwood's fees are paid quarterly in advance, with payment due within 10 days from the date of the invoice. Our fee is determined by taking the percentage rate we charge, times the market value of the account, divided by the number of days in the year and multiplied by the number of days in the quarter. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of Wealth Management Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter.

For California Residents: Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment Advisors disclose to their clients that lower fees for comparable services may be available from other sources. Pursuant to California Rule 260.235.2, a conflict exists between the interests of the Advisor or its associated persons and the interest of the client; the client is under no obligation to act upon this Advisor's or associated person's recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the Advisor or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

## **5d: 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 charged by Advisor.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Ironwood does not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account.



## ITEM 7 – TYPES OF CLIENTS

We generally provide and asset management and financial planning services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Pension and Profit Sharing Plans
- Trusts, Estates and/or Charitable Organizations

### *Minimum Account Size*

There is no account minimum. However, the Advisor may decline to accept clients with smaller portfolios.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### **8a: Analysis**

The Advisor uses multiple sources of information to obtain analysis and strategies. They include sources such as financial newspapers, research prepared by others, corporate rating services, prospectuses, annual reports, company press releases and filings with the SEC.

### **8b: Investment Strategies**

Ironwood utilizes multiple investment strategies, primarily as defined by each client's Financial Planning Agreement. These may include Long Term Trading, which 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. This may also include Short Term Trading and options writing, which generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Securities investments involve a risk of loss that you should be prepared to bear.

### **8c: Risk of Loss**

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

## **ITEM 9 – DISCIPLINARY INFORMATION**

We do not have any legal, financial or other “disciplinary” items to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating Ironwood and its employees.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **10a: Broker Dealers and Registered Representatives**

Certain employees of Ironwood may be registered representatives of FINRA broker-dealer firms. Employees who are registered representatives are paid fees/commissions based on sales of securities. When acting in the capacity of a registered representative, the Advisor and/or related persons may receive the usual and customary commissions or fees on the products that the client purchases. Receiving commissions on products may cause a conflict of interest. Therefore, the advisory client is free to select any broker dealer company the client desires for implementation of Advisor's recommendations.

### **10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Ironwood nor its employees hold any of the above registrations.

### **10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

The principal business of Advisor is that of a registered investment advisor and provider of financial planning services. Some of the principals and associated persons of Ironwood may be licensed as insurance agents and consultants. When acting in the capacity of an insurance agent, the Advisor and related persons may receive the usual and customary commissions or fees on the insurance products the client purchases. Receiving commissions on insurance products may cause a conflict of interest. Therefore, the advisory client is free to select any insurance company the client desires for implementation of Advisor's insurance recommendations.

Advisor may execute transactions with broker-dealers that pay a portion of 12b-1 fees to Advisor's principals. This interest conflicts with the clients' interest of obtaining the lowest commission rate available. Therefore, Advisor must determine in good faith, based on the “best execution” policy stated below that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

Advisor will disclose to advisory clients any material conflict of interest relating to Advisor, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.



## **10d: Selection of Other Advisors or Managers and How this Advisor is Compensated for those Selections**

Advisor does not select other advisors.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **11a: Code of Ethics Description**

As required by regulation we have adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our client (or prospective client) and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

Our Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity.

Our Code of Ethics includes the following:

- Requirements related to the confidentiality of your (client);
- Prohibitions on:
  - Insider trading (if we are in possession of material, non-public information);
  - Rumor mongering;
  - The acceptance of gifts and entertainment that exceed our policy standards;
- Reporting of gifts and business entertainment;
- Pre-clearance of employee and firm transactions;
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation); and,
- On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time).

## **11b, c & d: Participation or Interest in Client Transactions**

Advisor, or individuals associated with Advisor, may buy and sell some of the same securities for its own account that Advisor buys and sells for its clients or non-clients. In all instances, where appropriate the Advisor will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for its own account and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of its advisory accounts prior to permitting the selling of the securities from its accounts. In some cases Advisor may buy or sell securities for its own account for reasons not related to the strategies adopted by the Advisor's clients.

Advisor has a fiduciary duty to disclose all material information in order not to mislead clients, so that the client can make informed decisions about entering into or continuing the advisory relationship. Any perceived conflicts will be analyzed by the Advisor from the point of view of the client. Examples of analysis would include whether the disclosure or lack of disclosure would unfairly influence the client's decision related to their investments or work with the Advisor, would disclosure or lack of disclosure mislead the client or take unfair advantage of the client. If the above analysis demonstrates an element of unfairness the client will immediately be informed of the relevant material information.


## **ITEM 12 – BROKERAGE PRACTICES**

### **12a: Selecting Brokerage Firms**

Except to the extent that the client directs otherwise, the Advisor may recommend a broker-dealer. The client is not obligated to effect transactions through any broker-dealer recommended by Advisor. In recommending broker-dealers, Advisor will generally seek "best execution." In recommending a broker-dealer the Advisor will comply with its fiduciary duty to obtain best execution by taking into account such relevant factors as (a) price, (b) the broker-dealer's facilities, reliability and financial responsibility, (c) the ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order, (d) the research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services and (e) any other factors the Advisor considers to be relevant.

Recommending a broker-dealer may create a conflict of interest. Accordingly Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer, associated person, or employee of Advisor shall not buy or sell securities for her/his personal portfolio where her/his decision is substantially derived, in whole or in part, by reason of her/his employment unless the information is also available to the investing public or reasonable inquiry. No person of Advisor shall prefer her/his or her own interest to that of the advisory client.

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2. Advisor maintains a list of all securities holdings for itself and anyone associated with its advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer of Advisor.
  3. If Advisor receives separate compensation for effecting transactions on the client's behalf such compensation arrangements will be fully disclosed to client.
  4. Advisor emphasizes the unrestricted right of the client to select and choose their own broker or dealer.
  5. Advisor requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
  6. Any individual not in observance of the above may be subject to termination.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **13a: Periodic Reviews**

Accounts are reviewed by Cean Rogers, Alexander Parrs or qualified staff members. All reviews are either conducted or supervised by Cean Rogers. The frequency of reviews is determined based on the client's investment objectives, but no less than annually.

Financial planning clients receive their financial plans and recommendations at time service is completed. Depending on the type of financial planning service requested, Advisor will meet on a regular basis with clients to discuss any potential changes to their financial plan.

### **13b: Review Triggers**

More frequent reviews may also be triggered by a change in client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in macro-economic climate.

### **13c: Regular Reports**

Investment advisory clients receive standard account statements from the custodian of their accounts on a monthly basis. Financial planning clients do not normally receive investment reports.



## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Advisor may purchase software, research tools, training programs, or seminar services from its broker-dealer. Additionally, broker-dealers may provide services, tools or other non-financial benefits to the Advisor as a benefit for using the broker-dealer's services. As part of its fiduciary duties to clients, Ironwood Wealth Management, LLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing the Advisor's choice of a broker-dealer.

### **14b: Compensation to Non-Advisory Personnel for Client Referrals**

Advisor does not directly or indirectly compensate any person for client referrals.

## **ITEM 15 – CUSTODY**

Clients' accounts are held by a qualified custodian. Advisor does not have custody of the assets in the account and shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer.

## **ITEM 16 – INVESTMENT DISCRETION**

Except as otherwise instructed, client grants Advisor ongoing and continuous discretionary authority to execute its investment recommendations, without the client's approval of each specific transaction, in accordance with Advisor's Investment Philosophy. Under this authority, client shall allow Advisor to purchase and sell securities and instruments in this account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors and act on behalf of the client in most matters necessary or incidental to the handling of the account, including monitoring certain assets.

In certain cases we may allow for the client to grant non-discretionary authority which requires consent prior to each transaction.



## **ITEM 17 – VOTING CLIENT SECURITIES (I.E., PROXY VOTING)**

Unless specifically directed otherwise in writing by the client, Advisor is not authorized to receive and vote proxies on issues held in the account or receive annual reports.

## **ITEM 18 – FINANCIAL INFORMATION**

### **18a: Financial Condition**

Ironwood has no financial issues that could impair our ability to carry out our fiduciary duty to our clients. Advisor has not been the subject of a bankruptcy petition in the last ten (10) years.

Ironwood does not require prepayment of more than \$500.00 in fees from clients more than six (6) months in advance of services.

## **ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Ironwood is currently registered with the SEC and only notice files with state regulatory agencies.