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February 8, 2012

FORM ADV PART 2A. BROCHURE

This brochure provides information about the qualifications and business practices of Victory Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 559-638-2100. 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 Victory Wealth Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Victory Wealth Management, LLC is 152221.

Victory Wealth Management, LLC 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.

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Advisory Business

Form ADV Part 2A, Item 4

Victory Wealth Management, LLC's registration was granted by the United States Securities and Exchange Commission on November 23, 2009. Todd Raymond Sorensen (CRD Number 2408435) owns the majority of the equity of the firm and is the firm's Managing Member and Chief Compliance Officer. Susan Colleen Sawatzky (CRD Number 5732676) owns a minority interest in the firm and as such, is a member of the firm. The firm is not publicly owned or traded. There are no indirect owners of the firm. The firm manages each client's portfolio on an individualized basis. Clients may impose restrictions on their accounts. The firm does not sponsor any wrap programs. As of December 31, 2011, the firm managed assets on a discretionary basis in the amount of \$31,256,347 (representing 35 accounts) and \$19,416 on a nondiscretionary basis (representing 9 accounts).

Approximately ninety-five percent (95%) of Advisor's total advisory billings shall be attributable to investment supervisory services and approximately five percent (5%) attributable to giving investment advice through consultations.

Advisor will enter into managed account relationships with Clients on a discretionary basis with assets being held in brokerage accounts by Schwab Institutional, a division of Charles Schwab & Company, Inc. (Schwab) as Custodian. Client will pay Advisor a management fee as compensation for these services. The management fee is payable in arrears on a quarterly basis and is calculated as a percentage of assets managed. The management fee will be based on the net asset value of the Account on the last business day of the preceding billing quarter. The management fee is negotiable. Advisor discloses to Client that Custodian is not responsible for verifying the accuracy of the management fee calculation and that the Client is responsible for independently verifying the management fee calculation. Advisor will send a quarterly statement to Client showing the amount of the management fee for that quarter, the value of the Client's assets upon which the management fee was based, and the manner in which the management fee was calculated. Advisor will also send instructions to Custodian with the amount of the management fee to disburse from the Account, as authorized by Client. Custodian will pay the management fee directly to Advisor from Account upon presentation of those instructions. Client may choose to pay management fee directly, outside of the Account, in which case Custodian would not receive management fee disbursement instructions.

In addition to discretionary managed account relationships described above, Advisor offers portfolio development and allocation services and general investment advice to Clients on a non-discretionary basis. Schwab is generally used as Custodian for non-discretionary accounts. Advisor will be compensated by a one-time fee based on a percentage (generally 4%) of new assets being allocated or advised on. Depending on the size and complexity of the account, an additional account setup fee (generally \$100-\$500) may be charged for new accounts. All fees are negotiable. Periodic account reviews performed by Advisor not involving the allocation of new funds will be billed at Advisor's hourly rate of \$150 per hour. Advisor will send statements for services rendered to Client. Advisory fees may be paid to Advisor directly from the Account upon presentation of fee disbursement instructions to Custodian. Client may choose to pay fees directly to Advisor, outside of the Account, in which case Custodian would not receive fee disbursement instructions.

Advisor may provide investment advisory services predicated upon analysis of assets, liabilities, aspirations and goals of Clients. Investments reviewed may include securities, real estate, insurance, business ownership and other investments. Fees for this service are based on a percentage of assets being allocated or advised on or an hourly rate of \$150 per hour and are payable upon completion of the project.

The Investment Advisory Agreement may be terminated at any time by either party by notice of five (5)

working days in writing to the other party.

Fees and Compensation

Form ADV Part 2A, Item 5

Fee Schedule for Discretionary Accounts

| <u>Net Asset Values</u> | <u>Annual Fee</u> | <u>Quarterly Fee</u> |
|---------------------------------|-------------------|----------------------|
| \$0 - \$200,000.00 | 1.25% | .3125% |
| \$200,001.00 - \$750,000.00 | 1.00% | .25% |
| \$750,001.00 - \$1,000,000.00 | 0.85% | .2125% |
| \$1,000,001.00 - \$2,000,000.00 | 0.75% | .1875% |
| \$2,000,001.00 - \$5,000,000.00 | 0.6% | .15% |
| Over \$5,000,000.00 | 0.5% | .125% |

The Asset Management Agreement may be terminated at any time by either party by notice of five (5) working days in writing to the other party. Any quarterly fees earned but not yet billed or collected will be prorated on a daily basis and deducted from the Client Account prior to the end of that five day notice. The Agreement will end upon payment of the final generated bill.

Fee Schedule for Non-Discretionary Accounts

| <u>Account/Allocation Size</u> | <u>Fee</u> |
|--------------------------------|------------|
| First \$20,000 | 4% |
| Then \$20,001 and over | 3% |

In addition to Advisor's advisory fee, the Client may be charged transaction charges pursuant to a fixed schedule for trade execution. These transaction charges are paid to the account custodian and are retained by the account custodian for its clearance and execution services. Further, Client may pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the Account. Advisor does not share in any portion of such fees. Additionally, mutual funds charge internal management and administrative fees and incur expenses which are deducted from the assets of the mutual fund of which Client will pay a proportionate share. Advisor is not being compensated on the basis of a share of capital gains or capital appreciation of the funds or any other portion of the funds of the Client.

Advisor may receive commission income on life insurance products sold.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

None.

Types of Clients

Form ADV Part 2A, Item 7

Individuals, pension plans, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities and family limited partnerships.

Accounts generally must have assets in excess of \$100,000 to be accepted for management.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Methods of securities analysis are fundamental analysis, technical analysis and cyclical analysis.

Investment strategies are long term purchases (securities held at least a year), short term purchases (securities sold within a year) and trading (securities sold within 30 days).

Investing in securities involves risk of loss that clients should be prepared to bear.

Disciplinary Information

Form ADV Part 2A, Item 9

None.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Advisor may receive commission income on life insurance products sold.

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

Form ADV Part 2A, Item 11

Advisor has adopted a written Code of Ethics in compliance with SEC rule 204A-1. The code sets forth standards of conduct and requires compliance with federal securities laws. Our code also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the Chief Compliance Officer of the firm. We will provide a copy of our Code of Ethics to any client or prospective client upon request.

It is further noted that Advisor is in and shall continue to be in total compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Advisor has adopted a firm wide policy statement outlining insider trading compliance by Advisor and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Advisor and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Advisor has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Advisor, are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Advisor's employees may have non public information, (4) requiring all of Advisor's employees to conduct their trading through a specified broker or reporting all transactions promptly to Advisor, and (5) monitoring the securities trading of the firm and its employees and associated persons.

Advisor or individuals associated with Advisor may buy or sell securities identical to those recommended to customers for their personal account.

It is the express policy of Advisor that no person employed by Advisor may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. As such, employees are prevented from benefiting from transactions placed on behalf of advisory accounts.

Advisor or any related person(s) may have an interest or position in certain securities which may also be recommended to a client.

As these situations may represent a conflict of interest, Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of Advisor shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Advisor shall prefer his or her own interest to that of the advisory client.
- 2) Advisor maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis by Todd R. Sorensen.
- 3) Advisor requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
- 4) Any individual not in observance of the above may be subject to termination.

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Brokerage Practices

Form ADV Part 2A, Item 12

Advisor's fundamental policy is to seek for its clients what in its judgment will be the best overall execution of purchase or sale orders and the most favorable net prices in securities transactions consistent with its judgment as to the business qualifications of the various broker or dealer firms with which Advisor may do business. Decisions with respect to the market in which the transaction is to be completed, the form of the transactions, and the allocation of orders among brokers or dealers are made in accordance with this policy.

In selecting brokers or dealers to effect portfolio transactions, consideration is given to the proven integrity and financial responsibility of the various firms as well as to their demonstrated execution experience and capacity generally and in regard to particular markets or securities and to the competitiveness of the commission rates they charge.

With respect to any brokerage commissions charged by executing broker/dealers, Advisor will regularly and continuously review such charges within the foregoing criteria and such other comparative standards which it may regard as pertinent for the purpose of evaluating the reasonableness of such commissions. As permitted by law, and specifically by provisions of Section 28(e) of the Securities Exchange Act of 1934, Advisor may cause its clients to pay a broker/dealer an amount of commission for executing a portfolio transaction order on behalf of its clients which is in excess of the commissions other broker/dealers would have charged for effecting such a transaction. In order to do so, Advisory must determine in good faith that the higher commissions are reasonable in relation to the value of the brokerage and research services provided by the executing broker/dealer viewed in terms of either a particular transaction or Advisor's overall responsibilities to its other clients.

Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC/FINRA, to maintain custody of clients' assets and to effect trades for their accounts. Schwab Institutional provides Advisor with access to its Institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the Advisor's clients' account assets are maintained at Schwab Institutional. Schwab Institutional's services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require as significantly higher minimum initial investment. Schwab Institutional also makes available to Advisor other products and services that benefit Advisor but may not benefit its clients' accounts. Some of these other products and services assist Applicant managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders or multiple client accounts), provide research, pricing information and other market data, facilitate payment of Advisor's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Advisor's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional may also provide Advisor with other services intended to help Advisor manage and further develop its business enterprise. These services may include consulting, publications and presentations on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab Institutional may make available, arrange and/or pay for these types of services to Advisor by independent third-parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to Advisor. The availability to Advisor of the foregoing products and

services is not contingent upon Advisor committing to Schwab Institutional any specific amount of business (assets in custody or trading).

Review of Accounts

Form ADV Part 2A, Item 13

Discretionary Accounts: On intake of Client, initial review by Advisor of Client's holdings and determination of investment objectives will occur. Review of investment objectives with Client will occur annually or when Client deems a change is necessary. Advisor will continually monitor accounts. Informal reviews shall be frequent and formal reviews shall be conducted at least quarterly. Quarterly reviews will be communicated to Client by reports from Advisor. Clients receive confirmations when securities transactions occur in Client accounts as well as monthly statements from Custodian. Clients receive quarterly performance statements and quarterly fee statements from Advisor.

Non-Discretionary Accounts: Advisor only performs review upon request of account holder. Clients receive confirmations when securities transactions occur in Client accounts as well as monthly statements from Custodian.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

Advisor may receive commission income on life insurance products sold.

Advisor, or principals thereof, may attend industry meetings and conferences at the expense of outside product sponsors

Custody

Form ADV Part 2A, Item 15

None.

Investment Discretion

Form ADV Part 2A, Item 16

As the discretionary advisor of its clients' assets, Advisor has the authority to specify securities to be bought or sold, the total amount of securities to be bought or sold, the brokers or dealers through whom securities are to be bought or sold, and the commission rates at which securities transactions are to be affected.

Voting Client Securities

Form ADV Part 2A, Item 17

The firm votes proxy statements on behalf of advisory clients.

Financial Information

Form ADV Part 2A, Item 18

No financial reporting is required as the firm does not receive fees more than six months in advance,.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

Not applicable.

Additional Information

None.

Todd Raymond Sorensen

**Victory Wealth Management, LLC
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Suite A
Reedley, California 93654**

Phone: 559-638-2100

February 8, 2012

FORM ADV PART 2B. BROCHURE SUPPLEMENT

This brochure supplement provides information about Todd Raymond Sorensen and Susan Colleen Sawatzky that supplements the Victory Wealth Management, LLC brochure. You should have received a copy of that brochure. Please contact Todd Raymond Sorensen, Chief Compliance Officer if you did not receive Victory Wealth Management, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Todd Raymond Sorensen and Susan Colleen Sawatzky is available on the SEC's website at www.adviserinfo.sec.gov.

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Educational Background and Business Experience

Form ADV Part 2B, Item 2

Todd R. Sorensen, Member Investment Committee
Year of Birth: 1962

Education:

California State University Fresno, Fresno, CA
B.S. in Business Administration - Finance Emphasis

Chartered Financial Analyst, 9/14/00

Business Background for Preceding 5 Years:

Long Investment Advisory, Inc.
Reedley, CA
CFO, 4/97 - 10/09

- ☐ **Chartered Financial Analyst [‘CFA’]**: This designation is issued by the CFA Institute and is granted to individuals who meet one of the following prerequisites: possess an undergraduate degree and four years of professional experience investment decision making; or four years qualified work experience (full time, but not necessarily investment related). The candidate is required to follow a self study program involving 250 hours of study for each of the following three disciplines: Level One: Ethics & Professional Standards; Level Two: Investment Tools & Asset Classes; and Level Three: Portfolio Management & Wealth Planning. Once the designation is issued, no further Continuing Education is required.

Disciplinary Information

Form ADV Part 2B, Item 3

None.

Other Business Activities

Form ADV Part 2B, Item 4

None.

Additional Compensation

Form ADV Part 2B, Item 5

None.

Supervision

Form ADV Part 2B, Item 6

Not applicable.

Requirements for State-Registered Advisers

Form ADV Part 2B, Item 7

Not applicable.