

Form ADV Part 2A  
Investment Advisor Brochure

**Bauer Wealth Management, LLC**

2 North Cascade, Suite 790  
Colorado Springs, Colorado 80903  
(719) 575-9000  
[www.bauerwealthmanagement.com](http://www.bauerwealthmanagement.com)

Revised February 2012

This brochure provides information about the qualifications and business practices of Bauer Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (719) 575-9000. 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 Bauer Wealth Management, LLC, also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

### **Annual Update**

This section of our brochure will be updated annually when material changes occur since the previous release of our brochure dated March 1, 2011.

### **Material Changes since the Last Update**

The Dodd-Frank Wall Street Reform and Consumer Protection Act has changed the threshold for registration with the Securities Exchange Commission ("SEC") from \$25 million of assets under management to \$100 million of assets under management. As a result of this change, Bauer Wealth Management is switching from registration with the SEC to the Colorado Division of Securities.

### **Full Brochure Available**

If you would like to receive a complete copy of our most recent brochure, please contact us at: (719) 575-9000.

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#### **Item 4 - Advisory Business**

We are an investment advisor registered with the Colorado Division of Securities. We provide discretionary portfolio management and investment advice as well as financial planning to individuals and their trusts, estates, and charitable organizations. We also offer investment advice to pension and profit sharing plans. Advice and recommendations are tailored to the individual needs of our clients, and clients may impose restrictions on investing in certain securities.

As of January 31, 2012, we had approximately \$45,000,000 assets under management on a discretionary basis.

Bauer Wealth Management is a Colorado limited liability company since 2010. We are privately owned by Daniel C. Bauer.

#### **Item 5 - Fees and Compensation**

The fee is based on all assets under management, pursuant to the following table:

Assets Under Management	Client's Annual Management Fee
○ First \$5,000,000	1.0%
○ On the next \$5,000,000	0.75%
○ On all assets above \$10,000,000	0.50%
○ Notwithstanding the above fees, assets held in a bond portfolio	0.50%

Fees will be due quarterly in arrears based on the average daily value of the assets during the previous quarter, pursuant to a quarterly bill which shows the amount of the fee, how it was calculated, and the value of the assets used to calculate the fee. The custodian will also send clients quarterly account statements reflecting all disbursements from the account, including the amount of our fee. Before withdrawing fees directly from client accounts, we obtain written authorization from our clients permitting us to be paid directly from each client's account.

We shall never have custody, except for authorized fees, of any client funds or securities, as the services of a qualified and independent custodian will be used for these asset management services. In addition to our fees, clients' assets may be subject

to custodial fees, transaction fees, and mutual funds fees such as “12b-1” fees. We do not share in any portion of the brokerage fees/transaction charges imposed by the custodian. Clients may at their option purchase investment products through other brokers or agents that are not affiliated with us.

Fees are negotiable. The Investment Advisory Agreement may be terminated by us or the client by submitting written notice to the appropriate party. If notice of termination is received within five (5) business days of the signing of the Investment Advisory Agreement, services will be terminated without penalty (*i.e.*, no fees are due). After the initial five (5) business days, fees will be due, based on the number of days of services provided prior to receipt of such notice. Termination of services will not affect the liabilities or obligations of the parties arising out of transactions initiated prior to termination. All written notices of termination to any parties under the Investment Advisory Agreement shall be delivered by hand, first class mail, e-mail, facsimile transmission, or by certified mail to the addresses set forth in the Investment Advisory Agreement.

#### **Item 6 - Performance-Based Fees and Side-by-Side Management**

We do not charge performance-based fees, which are fees based on a share of capital gains on or capital appreciation of client assets.

#### **Item 7 - Types of Clients**

We provide investment advisory services and financial planning to individuals and their trusts, estates, and charitable organizations. We also offer investment advice to pension and profit sharing plans. We generally require a minimum of five hundred thousand (\$500,000) in assets under management.

#### **Item 8 - Method of Analysis, Investment Strategies and Risk of Loss**

We employ a number of different security analysis methods including fundamental analysis, charting, and technical and cyclical analysis. Our main sources of information include research materials prepared by others and financial publications. We use corporate rating and timing services, and we also review Annual Reports, prospectuses, SEC filings, and company press releases. We advise on a number of types of investments including exchange-listed securities, over-the-counter securities, foreign issuer securities, corporate debt securities, certificates of deposit, municipal securities, mutual fund shares, and U.S. government securities. We may advise clients on any other type of investment deemed appropriate based on the client’s stated goals and objectives.

Our investment strategies are based upon each client's stated objectives. We may use any of the following investment approaches to implement our investment advice: long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within 30 days), and short sales. Clients should be aware that short term purchases and frequent trading may result in increased brokerage fees and increased trading costs and taxes. Short sales also have the risk of large losses. Investing in any security involves risk which clients must be prepared to bear.

#### **Item 9 - Disciplinary Information**

Investment advisors are required to disclose legal or disciplinary events material to a client's evaluation. Neither Bauer Wealth Management, LLC, nor any supervised person has been involved in any activities resulting in any legal or disciplinary events.

#### **Item 10 - Other Financial Industry Activities and Affiliations**

We are not and individuals associated with us do not have any material relationship or arrangement with any broker-dealer or any other financial industry entity.

#### **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

We have adopted a code of ethics that sets forth standards of conduct and required compliance with securities laws. A copy of our code of ethics is available to any client or prospective client upon request.

We and individuals associated with us may buy or sell for their personal account(s) investment products identical to those recommended to clients which creates a conflict of interest. However, we have a duty to our clients to exercise our authority and responsibility for the benefit of our clients, to place client interests first, and to refrain from having outside interests that conflict with client interests. We must avoid any circumstances that might adversely affect or appear to affect our duty of complete loyalty to our clients.

We have a policy of periodically reviewing personal securities transactions to ensure that our policies are followed and client interests are placed first.

### **Item 12 - Brokerage Practices**

We generally recommend that our clients use Fidelity as a qualified custodian, but not all investment advisers recommend a particular custodian. We receive various services and products from Fidelity including a trading platform which allows us to provide services to our clients. This relationship gives us an incentive to recommend Fidelity to our clients which is a conflict of interest. Still, we have a fiduciary duty to our clients and put the interests of our clients first.

We suggest and will use brokers that provide the best execution and service for client transactions. "Best execution" is determined on a trade-by-trade basis, and should result in the best qualitative execution, not necessarily the lowest possible commission cost. In determining which brokers or dealer provide clients the best service, we consider the full range and quality of a broker's services, including, but not limited to, execution capability, the value of research provided, commission rate, financial responsibility, and responsiveness to us and effectiveness in clearing and settling trades.

We may aggregate multiple orders of the same security. This is commonly known as "block trading". Typically, we will decide to block trade when doing so will reduce the costs of the transaction for our clients. Each client participating in the block trade receives the same price per share, which is the average price per share, and pays a proportionate share of the transaction costs. Accounts owned by us or individuals associated with our firm may participate in block trading with client accounts; however, they will not be given preferential treatment.

### **Item 13 - Review of Accounts**

Reviews of each account are conducted at least quarterly by Mr. Bauer, President. Reviews will include examination of the securities held as well as performance and risk analysis. Mr. Bauer will also meet quarterly face-to-face to discuss performance and objectives. Reviews may be performed more frequently when triggered by market factors or geopolitical events likely to materially influence markets.

The custodian of the accounts will send statements at least quarterly as well as year end tax reports and annual gain loss reports.

### **Item 14 - Client Referrals and Other Compensation**

We do not receive any economic benefits (other than normal compensation) from any person for providing our services. We do not receive fees from other professionals for referrals we may provide.

### **Item 15 - Custody**

We do not have custody of client assets except to the extent that clients may authorize us to debit fees directly from their accounts. In that case, the client must provide written authorization permitting the custodian to debit our fees from the client's account. The custodian will send quarterly statements to clients.

### **Item 16 - Investment Discretion**

We are authorized to purchase and sell securities consistent with the client's stated investment objectives and risk tolerance pursuant to the Investment Advisory Agreement. We obtain a Full Discretionary Trading Authorization from each client before assuming authority to trade client accounts. Certain investments may require additional written client consent.

### **Item 17 - Voting Client Securities**

If a client chooses to have us vote the proxies, we will do so in the client's best interest, without regard to our interests. Generally, we vote proxies on a case-by-case basis, and, as a general rule, we vote proxies with management unless there are strong compelling reasons not to do so. Clients should contact us for a complete copy of our proxy voting policies and procedures.

Clients may contact us in writing to direct how we should vote their proxies. Clients may obtain information on how their proxies were voted by making a written request to us.

### **Item 18 – Financial Information**

We are not required to provide further financial information because we (i) do not solicit pre-payment of more than \$1200 in fees per client, 6 months in advance and (ii) have not been the subject of a bankruptcy petition at any time during the past ten years. We do not have any financial condition that is likely to impair our ability to meet our contractual commitments to our clients.

### **Item 19 – Requirements for State-Registered Advisors**

The president of Bauer Wealth Management, LLC, is Daniel C. Bauer. See Form ADV Part 2B – Investment Advisor Brochure Supplement for additional information on Mr. Bauer.



Form ADV Part 2B  
Investment Advisor Brochure Supplement

**Daniel C. Bauer, President**  
**Bauer Wealth Management, LLC**  
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This brochure supplement provides information about Dan Bauer that supplements the Bauer Wealth Management brochure. You should have received a copy of that brochure. Please contact Dan Bauer if you did not receive Bauer Wealth Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Dan Bauer also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Educational Background and Business Experience**

We require those individuals giving investment advice to clients to have an undergraduate degree and a minimum of 5 years of substantive investment-related experience. In addition, all individuals must also hold all required licenses or designations, have passed all relevant examinations required by the overseeing regulatory agencies (generally, either Series 65 or Series 7 and 66), and be registered with those agencies, if applicable

### **Supervised Persons**

#### **Daniel C. Bauer**

Dan Bauer was born February 6, 1974. He attended Ricks College in Idaho for two years and is a graduate of the University of Colorado Denver. Mr. Bauer is a registered financial planner and alumni of the College of Financial Planning. He has more than 15 year's industry experience. Although Mr. Bauer does not currently sell insurance and is not affiliated with an insurance company, Mr. Bauer has his insurance license and provides advice on insurance coverage.

### **Disciplinary Information**

Neither Bauer Wealth Management, LLC, nor any supervised person has been involved in any activities resulting in any legal or disciplinary events.

### **Other Business Activities**

Our supervised persons are not actively engaged in other business activities.

### **Additional Compensation**

Our supervised persons do not receive any economic benefit outside of regular salaries or bonuses.

### **Supervision**

Dan Bauer, president and chief compliance officer of Bauer Wealth Management, LLC, supervises all supervised persons. Dan Bauer maintains supervision by regularly reviewing client reports, emails, trading tickets as well as personal securities transactions. Dan Bauer may be reached at (719) 575-9000.