

# *Bill Spalding Wealth Management*

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## *Disclosure Brochure*

*March 29, 2012*

This brochure provides information about the qualifications and business practices of Bill Spalding Wealth Management. If you have any questions about the contents of this brochure, please contact us at 404.255.3331. 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.

Bill Spalding Wealth Management is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

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

## Material Changes

Bill Spalding Wealth Management (“BSWM, we, us, our, ours”) provides its brochure to you initially when we enter into an advisory agreement with you. Annually we will provide you with a summary of materials changes made to the brochure since its last annual update. This summary will include information on how you may obtain a complete, updated brochure.

We will disclose material changes on a more frequent basis as necessary.

There have been no material changes to our brochure since it was published May 3, 2011.

Currently, our brochure may be requested by contacting Bill Spalding, CEO/CCO at 404.255.3331 or [bill@spaldingwealth.com](mailto:bill@spaldingwealth.com). We will provide you with a new brochure at any time without charge.

Additional information about our company is also available via the SEC’s website:

[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The SEC’s website also provides information about any persons affiliated with BSWM who are registered as investment adviser representatives (your “advisory representative”) of BSWM. Information on our investment adviser representatives who work with your account can be found in our brochure supplements.

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## ***Advisory Business***

BSWM is a corporation organized under the laws of the state of Georgia. Bill Spalding founded the Atlanta-based investment advisory firm in 2010 and is the principal owner. BSWM is an SEC registered investment advisory firm. As of December 31, 2011, we managed approximately \$92.7 million in discretionary client assets.

We provide individualized advisory services to you through the recommendation, selection, and monitoring of suitable third-party money managers. We manage your assets through investment programs sponsored by Envestnet and SEI. Clearing, custody, or other brokerage services may be provided by Fidelity Brokerage Services LLC (“Fidelity”), Member NYSE, SIPC or SEI Private Trust. BSWM is not affiliated with Envestnet, SEI or Fidelity.

Some of the factors we considered in selecting money managers for you include, but may not be limited to:

- the management style, performance, reputation, pricing and reporting capabilities of the money manager;
- your risk tolerance, investment horizon, goals, objectives, and experience;
- the amount of assets you have available for investment; and,
- our relationship with or preference for a particular manager.

To assist you in choosing an appropriate money manager, we gather information from you about your personal financial situation, goals, and any reasonable restrictions you want to place on your investments.

We develop the allocation of your assets and review the activity and performance in your account on an ongoing basis. We contact you at least annually, or more often as agreed upon, to review your financial situation and objectives, communicate information to your money managers, and to assist you in understanding and evaluating your money managers. We expect you to notify us of any changes in your financial situation, investment objectives, or account restrictions.

## ***Wrap Accounts***

Some of the programs sponsored by Envestnet and SEI are considered to be wrap accounts. The fee you pay for participation in a wrap program covers our advisory fee, as well as the portfolio manager’s fees and all brokerage commissions and other trading costs of transactions placed through SEI Trust or Fidelity. We will provide the sponsor’s wrap fee brochure, which will more fully describe the program. We do not manage wrap fee accounts differently than we manage non-wrapped accounts. We receive a portion of the wrap fee for our services.

## ***Fees and Compensation***

We offer our services on a fee-only basis. The maximum fees for our services are 2% of assets under management. Our fee is calculated based upon the market value of the assets in your account on the last day of the previous quarter.

Broker-dealers and other financial institutions that hold client accounts are referred to as custodians (“custodian/broker-dealer”). Your custodian/broker-dealer determines the values of the assets in your portfolio. We adjust fees for the initial quarter pro-rata based upon the number of calendar days in the calendar quarter that the advisory agreement is in effect.

We have the right to change any or all of our fee schedules with 30 days written notice to you. In individual cases, we have the sole option to negotiate fees that are lower than the standard fee shown or to waive fees. All fees are based primarily on asset size and level of service. Comparable services for lower fees may be available from other sources.

If authorized in the client agreement, the account custodian calculates and withdraws advisory fees directly from your accounts according to the custodian’s policies, practices and procedures. The custodian in turn pays a portion of the fee to us for our portion of the services rendered. Your custodian/broker dealer also provides you with statements that show the amount paid directly to us.

You should review the custodian/broker-dealer’s statement and verify the calculation of our fees. Your custodian broker-dealer does not verify the accuracy of fee calculation.

In addition to our fee, you may be required to pay other charges such as:

- third party money manager or program fees,
- custodial fees,
- brokerage commissions,
- transaction fees,
- SEC fees,
- internal fees and expenses charged by mutual funds or exchange traded funds (“ETFs”), and
- other fees and taxes on brokerage accounts and securities transactions.

None of these fees are paid to or are shared with us.

Mutual fund companies, ETFs, and variable annuity issuers charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made

directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from funds held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in our investment strategies, investment performance monitoring, or portfolio reallocations.

A complete description of the programs and services provided, the amount of total fees, the payment structure, termination provisions and other aspects of each program are detailed and disclosed further in:

- the third-party money manager's Form ADV Part 2 or other applicable disclosure document;
- the program wrap brochure (if applicable) or other applicable disclosure documents; or,
- the account opening documents. We provide anyone interested in our services with a copy of our disclosure, all relevant disclosure documents of the program sponsor and of the individual portfolio manager(s).

In addition, please be sure to read the section entitled "Brokerage Practices," which follows later in this brochure.

Our advisory relationship with you may be terminated, without the payment of penalty, by any party to the contract in

accordance with the provisions of the advisory agreement. Upon termination, any unearned fees are returned to you pro-rata based upon the number of calendar days in the calendar quarter that the advisory agreement was in effect. Furthermore, you may terminate our advisory agreement without being assessed any fees or expenses within (5) business days of its signing.

Your advisory representative is also licensed with various insurance companies and may offer insurance products through BSWM. BSWM is an insurance agency. Commissions may be earned by your financial advisor if insurance products are purchased through these insurance companies.

Your advisory representatives may also recommend various asset management firms. If you establish an investment advisory relationship with one of these firms, your advisory representative will share in the advisory fees you pay to these asset management firms.

The above arrangements present a conflict of interest because they create an incentive to make recommendations based upon the amount of compensation we receive rather than based upon your needs. We will explain the specific costs associated with any recommended investments with you upon request. We also recommend no-load and load-waived mutual funds to further reduce conflicts of interest. Additionally, you have the option to purchase investment and insurance products through other

brokers or agents who are not affiliated with us.

### ***Performance-Based Fees***

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

### ***Types of Clients***

We provide advisory services primarily to high net worth individuals, including their trusts, estates and retirement accounts. As a condition for starting and maintaining an advisory relationship, we generally require a minimum portfolio size of \$1,000,000.

We, at our sole discretion, may accept clients with smaller portfolios based upon certain factors including anticipated future earning capacity, anticipated future additional assets, account composition, related accounts, and pre-existing client relationships. We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

### ***Methods of Analysis, Investment Strategies and Risk of Loss***

We do not typically select individual investments for your portfolio. We allocate your assets to various third

parties based upon your individual needs and preferences.

Our investment strategies may include long-term and short-term purchases and sales and the use of third party money managers. You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

### ***Disciplinary Information***

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our

business or the integrity of our management.

### ***Other Financial Industry Activities and Affiliations***

As explained under “Fees and Conditions” above, Bill Spalding is also a licensed insurance agent with various insurance companies. This arrangement presents a conflict of interest because it may create an incentive to make recommendations based upon the amount of compensation your advisory representative can receive rather than based upon your needs.

As previously noted, we will explain the specific costs associated with any recommended investments with you upon request. Bill will also explain all costs relevant to any insurance products you may purchase. You have the option to purchase insurance products through other brokers or agents who are not affiliated with us.

Your advisory representative may also recommend various asset management firms through their affiliation with BSWM. If you establish an investment advisory relationship with one of these firms, your financial advisor may share in the advisory fees you pay to these asset management firms.

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

We have adopted a Code of Ethics

(“Code”) to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative’s or employee’s position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients. Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal



securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

### ***Brokerage Practices***

We may recommend certain broker-dealer/custodians for your account. In addition, choosing certain third-party money managers may involve the services of a specific broker-dealer. Thus, by assisting you in selecting a particular money manager, BSWM may

also be assisting you in selecting a broker-dealer.

The broker-dealer/custodian will assist us in servicing your accounts. We are independently owned and operated and not affiliated with the broker-dealer/custodian. Our use of a broker-dealer/custodian is, however, a beneficial business arrangement for us and them. Information regarding the benefits of this relationship is described below.

In recommending a broker-dealer/custodian responsible for executing transactions for your portfolios, we consider at a minimum the broker-dealer/custodian's:

- existing relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

The determining factor in the selection of the broker-dealer/custodian to execute transactions for your accounts is not the lowest possible transaction cost, but whether the broker-dealer/custodian can provide what is in our view the best qualitative execution for your account.

The broker-dealer/custodian provides us with access to its institutional trading and custody services, which includes:

- brokerage,



- custody,
- research, and
- access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

We are not required to place a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services.

The broker-dealer/custodian does not charge separately for holding our clients accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your accounts.

The broker-dealer/custodian also makes available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:

- provide access to account data such as:
  - duplicate trade confirmations,
  - bundled duplicate account statements, and
  - access to an electronic communication network for client order entry and account information;

- facilitate trade execution, including:
  - access to a trading desk serving advisory participants exclusively and
  - access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;
- provide research, pricing information and other market data;
- facilitate payment of our fees from client accounts; and
- assist with back-office functions, record keeping and client reporting; and
- receipt of compliance publications.

The broker-dealer/custodian also makes available to us other services intended to help us manage and further develop our business. These services may include:

- consulting,
- publications and conferences on practice management,
- information technology,
- business succession,
- regulatory compliance, and
- marketing.

The broker-dealer/custodian may also make available or arrange for these types of services to be provided to us by independent third parties. The broker-dealer/custodian may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the

fees of a third party providing these services to us. Thus, we receive economic benefits as a result of our relationship with the broker-dealer/custodian, because we do not have to produce or purchase the products and services listed above.

Because the amount of our compensation or the products or services we receive may vary depending on the custodian/broker-dealer we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific custodian/broker-dealers may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions and other fees for transactions executed through the broker-dealer/custodian may be higher than commissions and other fees available if you use another custodian/broker-dealer firm to execute transactions and maintain custody of your account. We believe, however, that the overall level of services and support provided to our clients by the broker-dealer/custodian outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Many of the services described above may be used to benefit all or a substantial number of our accounts, including

accounts not maintained at through the broker-dealer/custodian. We do not attempt to allocate these benefits to specific clients.

You may direct us in writing to use a particular broker-dealer to execute some or all of the transactions for your account. If you do so, you are responsible for negotiating the terms and arrangements for the account with that broker-dealer. We may not be able to negotiate commissions, obtain volume discounts, or best execution. In addition, under these circumstances a difference in commission charges may exist between the commissions charged to clients who direct us to use a particular broker or dealer and other clients who do not direct us to use a particular broker or dealer.

As most trades are placed by the third-party money managers, we do not engage in aggregate trading. You are encouraged to read your money managers' disclosure document to determine if they engage in aggregate trading and what it may mean to you.

## ***Review of Accounts***

We review the activity and performance in your account on an ongoing basis. We contact you at least annually, or more often as agreed upon, to review your financial situation and objectives, communicate information to your money managers, and to assist you in understanding and evaluating your money managers. We expect you to

notify us of any changes in your financial situation, investment objectives, or account restrictions.

Account reviews may also be triggered by other factors such as changes in general economic and market conditions, analyst reports, issuer news and interest rate movement. Bill Spalding, CEO/CCO is responsible for all reviews. You will receive statements from your custodian at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values.

### ***Client Referrals and Other Compensation***

We may receive certain economic benefits as a result of our participation in Fidelity's institutional program. Those benefits are described in detail in the preceding section entitled "Brokerage Practices."

We have entered into written compensation agreements with certain unaffiliated investment adviser representatives and professionals such as CPAs, attorneys, etc. We pay these persons a percentage of the fee that you pay to us if it is determined you have become clients as a result of their direct or indirect efforts. These payments are a portion of the fee that we charge and do not result in an increase in the amount of the fee that you pay. Any solicitation or referral arrangements will comply with applicable laws that govern:

- the nature of the service,
- fees to be paid,
- disclosures to clients and
- any necessary client consents.

### ***Custody***

You will receive statements from the custodian/broker-dealer that holds your investment account on at least a quarterly basis. We urge you to carefully review these statements. You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact Bill Spalding should you have any questions or concerns regarding your account.

### ***Investment Discretion***

The third-party money managers decide and execute all securities transactions. The money manager exercises limited discretionary investment authority in your accounts. BSWM does not manage, or obtain discretionary authority over the assets in accounts participating in these programs; however, we do design the asset allocation of your overall portfolios.

We do not, however, have the ability to choose the broker-dealer through which transactions will be executed. Additionally, we do not have the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.)

## ***Voting Client Securities***

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

## ***Financial Information***

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.

**William B. “Bill” Spalding**

CRD #1000570

***Bill Spalding Wealth Management***

***360 Peachtree Road***

***Suite 250***

***Atlanta, GA***

***30305***

***404.255.3331***

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**Brochure Supplement**

March 29, 2012

**This brochure supplement provides information about Bill Spalding that supplements the Bill Spalding Wealth Management brochure. You should have received a copy of that brochure. Please contact Bill Spalding, CEO/CCO if you did not receive Bill Spalding Wealth Management’s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Bill Spalding is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Educational Background and Business Experience**

### **Bill Spalding**

*Year of birth:* 1950

*Formal education:*

- Frostburg State University, Frostburg, Maryland, BS - Education, 1971
- University of Pittsburg, Pittsburg, PA, MS – Education, 1972

*Business background:*

- Bill Spalding Wealth Management – CEO/CCO) (09/10 to Present)
- Securities America Advisors, Inc. – Investment Adviser Representative (07/96 to 09/10)
- Bill Spalding Financial Services – President (06/96 to 09/10)
- Securities America, Inc. – Registered Representative (06/96 to 09/10)

### **Disciplinary Information**

Bill Spalding has not been named as the subject of any legal or disciplinary event.

### **Other Business Activities**

In addition to his association with BSWM, Bill Spalding is also a licensed insurance agent. Mr. Spalding may earn

commissions from insurance products you purchase from him.

This additional compensation may present a conflict of interest because it creates an incentive to recommend products and services based upon compensation, rather than on your needs. Bill Spalding will explain the costs associated with any recommendations he makes. You have no obligation to do business with Mr. Spalding in any of this capacity.

### **Additional Compensation**

Bill Spalding receives additional compensation for his activities as an insurance agent. This compensation is described under “Other Business Activities” above.

### **Supervision**

Bill Spalding is the sole advisory representative and CCO. There are no other employees to supervise or to monitor him. He is subject to the firm’s Code of Ethics, compliance procedures, and the investment advisory agreement entered into with each advisory client.