

Wrap Fee Program Brochure

June 28, 2012

Pillar Wealth Management Program

Sponsored By



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Eight Tower Bridge
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This brochure provides information about the qualifications and business practices of Pillar Wealth Advisors, LLC (hereinafter "Pillar Wealth Advisors" or the "firm"). If you have any questions about the contents of this brochure, please contact Stephen Target at (610) 771-0800. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state securities authority. Additional information about Pillar Wealth Advisors is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Pillar Wealth Advisors is an independent registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, Pillar Wealth Advisors is required to discuss the material changes which have been made to the brochure since the last annual update. As this brochure has been prepared in connection with the firm's first annual amendment, there are no such material changes to report.

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Item 4. Services, Fees and Compensation

The Pillar Wealth Management Program (the “Program”) is an investment advisory program sponsored by Pillar Wealth Advisors, an independent registered investment adviser which has been in business as such since December 2011.

While this brochure generally describes the business of Pillar Wealth Advisors as it relates to clients receiving services through the Program, certain sections also describe the activities of the firm’s *Supervised Persons*, which refer to all officers, partners, directors (or other person occupying a similar status or performing similar functions), employees, or other persons who provide investment advice on Pillar Wealth Advisors’ behalf and are subject to the firm’s supervision.

In addition to the Program, the firm also offers financial planning, consulting and investment management services under different arrangements than those described herein. Information about these services is contained in Pillar Wealth Advisors’ Disclosure Brochure, which appears as Part 2A of Form ADV.

Description of the Program

The Program is offered as a wrap fee program, which provides clients with the ability to trade in certain investment products without incurring separate brokerage commissions or transaction charges. A wrap fee program is considered any arrangement under which clients receive investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions for a specified fee or fees not based upon transactions in their accounts.

Prior to receiving services through the Program, clients are required to enter into a written agreement with Pillar Wealth Advisors setting forth the relevant terms and conditions of the advisory relationship (the “*Agreement*”). Clients must also open a new securities brokerage account and complete a new account agreement with Charles Schwab & Co., Inc. (“*Schwab*”) or another broker-dealer Pillar Wealth Advisors approves under the Program (collectively “*Financial Institutions*”).

At the onset of the Program, clients complete an investor profile describing their individual investment objectives, liquidity and cash flow needs, time horizon and risk tolerance, as well as any other factors pertinent to their specific financial situations. After an analysis of the relevant information, Pillar Wealth Advisors assists its clients in developing an appropriate strategy for managing their assets. Depending on the engagement, the firm may also provide certain financial planning or consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Asset Allocation
- Retirement Planning
- Education Funding
- Estate Planning
- Financial Statement & Portfolio Reports
- General Analysis & Planning
- Insurance Needs Analysis
- Retirement Plan Analysis

Clients' investment portfolios are generally managed on a discretionary or non-discretionary basis by either Pillar Wealth Advisors' investment adviser representatives or an independent investment manager (collectively "*Independent Managers*"), as recommended or selected by Pillar Wealth Advisors. Pillar Wealth Advisors and/or the *Independent Managers* generally allocate clients' assets among the various investment products available under the Program, as described further in Item 6 (below).

Fees for Participation in the Program

Investment management services are offered through the Program on a fee basis, meaning that clients pay a single annualized fee based upon assets under management. The firm also offers advisory services outside of the Program under different fee arrangements than those discussed below. In addition, certain of Pillar Wealth Advisors' *Supervised Persons* may also offer insurance products and securities brokerage services under separate commission based arrangements.

Asset Based Fees

Pillar Wealth Advisors provides investment management services for an annual fee based on the amount of assets under the firm's management. This fee varies between 125 and 275 basis points (1.25% – 2.75%), based on the following blended fee schedule:

PORTFOLIO VALUE	ANNUAL FEE
First \$250,000	2.75%
\$250,001 – \$500,000	2.50%
\$500,001 – \$1,000,000	2.00%
\$1,000,001 – \$2,500,000	1.75%
\$2,500,001 – \$5,000,000	1.50%
Above \$5,000,000	1.25%

This fee is charged at least quarterly in advance and is derived from the market value of the assets being managed on the last day of the prior billing period. Fees charged outside of the wrap fee program are exclusive of and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. Pillar Wealth Advisors does not, however, receive any portion of these commissions, fees, and costs.

In the event assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to those assets is prorated to reflect the change in portfolio value. For the initial period of service, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the remaining balance is refunded to the client, as appropriate.

Fee Comparison

A portion of the fees paid to Pillar Wealth Advisors are used to cover the securities brokerage commissions and transactional costs attributed to the management of its clients' portfolios, as well as the fees charged by the *Independent Managers* engaged to provide services under the Program. *Independent Managers* servicing accounts through the Program receive a fee based upon the assets under their management, which may range up to one-half of the management fee charged by Pillar Wealth Advisors. Insofar as Pillar Wealth Advisors pays the transaction and execution costs associated with securities trading, there may exist a disincentive to actively trade in client accounts.

Services provided through the Program may cost clients more or less than purchasing these services separately. The number of transactions made in clients' accounts, as well as the commissions charged for each transaction, determines the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

Fee Discretion

Pillar Wealth Advisors, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

Fee Debit

The firm's *Agreement* and the separate agreement with any *Financial Institutions* generally authorize Pillar Wealth Advisors and/or the *Independent Managers* to debit its clients' accounts for the amount of the Program fee and to directly remit that fee to Pillar Wealth Advisors or the *Independent Managers*. Any *Financial Institutions* recommended by Pillar Wealth Advisors have agreed to send statements to clients not less than quarterly indicating all amounts disbursed from the account, including the amount of Program fees paid directly to Pillar Wealth Advisors.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to Pillar Wealth Advisors' right to terminate an account. Additions may be in cash or securities provided that the firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Pillar Wealth Advisors, subject to the usual and customary securities settlement procedures. However, Pillar Wealth Advisors designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Pillar Wealth Advisors may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated,

they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Other Charges

Clients may incur certain charges imposed by third parties in addition to the Program fee. These additional charges may include charges imposed directly by a mutual fund or exchange-traded fund ("ETF") in the account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Compensation for Recommending the Program

Pillar Wealth Advisors has no internal arrangements in place whereby persons recommending the Program are entitled to receive additional compensation as a result of clients' participation.

Item 5. Account Requirements and Types of Clients

Minimum Account Requirements

Pillar Wealth Advisors does not impose a stated minimum fee or minimum portfolio value for participation in the Program. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than Pillar Wealth Advisors. In these instances, Pillar Wealth Advisors may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Types of Clients

Services through the Program are offered to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Item 6. Portfolio Manager Selection and Evaluation

Clients' investment portfolios are managed either directly by Pillar Wealth Advisors or through the use of certain *Independent Managers*, as referenced above.

Portfolio Management

Pillar Wealth Advisors manages its clients' investment portfolios on a discretionary or non-discretionary basis.

For accounts managed through the Program, Pillar Wealth Advisors primarily allocates assets among various *Independent Managers*, mutual funds, ETFs, individual debt and equity securities, and options, as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of its individual clients. In addition, Pillar Wealth Advisors may also recommend that clients who qualify as accredited investors, as defined under Rule 501 of the Securities Act of 1933, invest in private placement securities, which may include debt, equity and/or pooled investment vehicles (e.g., hedge funds). The firm also provides advice about any type of legacy position or investment otherwise held in its clients' portfolios.

Clients may also engage Pillar Wealth Advisors to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Pillar Wealth Advisors directs or recommends the allocation of client assets among the various investment options available with the product. Client assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Pillar Wealth Advisors tailors its advisory services to accommodate the needs of its individual clients and continuously seeks to ensure that its clients' portfolios are managed in a manner consistent with their specific investment profiles. Clients are advised to promptly notify Pillar Wealth Advisors if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Pillar Wealth Advisors determines, in its sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to the firm's management efforts.

Pillar Wealth Advisors manages investment portfolios through the Program in substantially the same manner as those it manages outside of the Program. In return for these services, Pillar Wealth Advisors receives a portion of the fees paid for participation in the Program, as described in Item 4.

Selection or Recommendation of Independent Managers

Pillar Wealth Advisors evaluates various information about the *Independent Managers* in which it recommends or selects to manage client portfolios under the Program. The firm generally reviews a variety of different resources, which may include the *Independent Managers'* public disclosure

documents, materials supplied by the *Independent Managers* themselves, and other third-party analyses it believes are reputable. To the extent possible, the firm seeks to assess the *Independent Managers'* investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposures. Pillar Wealth Advisors also takes into consideration each *Independent Manager's* management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors. The same criteria is used by the firm to select or recommend the replacement of an *Independent Manager*.

Pillar Wealth Advisors generally monitors the performance of those accounts being managed by *Independent Managers* by reviewing the account statements and trade confirmations produced by the *Financial Institutions*, as well as other performance information furnished by the *Independent Managers* and/or other third-party providers. The firm does not verify the accuracy of any such performance information and does not ensure its compliance with presentation standards. Clients are advised that any performance information they receive from the *Independent Managers* may not be calculated on a uniform and consistent basis. Clients should compare all supplemental materials with the account statements they receive from their respective custodians.

The terms and conditions under which the client engages an *Independent Manager* are set forth in a separate written agreement between Pillar Wealth Advisors or the client and the designated *Independent Manager*. In addition to this Brochure, the client also receives the written disclosure brochure of the designated *Independent Managers* engaged to manage their assets. None of the *Independent Managers* that serve as a portfolio manager under the Program are affiliates of Pillar Wealth Advisors.

Side-By-Side Management

Pillar Wealth Advisors does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Methods of Analysis and Investment Strategies

Pillar Wealth Advisors develops individual investment strategies based upon each client's specific risk profile and investment objectives. The firm employs a largely fundamental analytical approach with a technical overlay. Pillar Wealth Advisors generally seeks to target ETFs, stocks, unit investment trusts ("UITs"), closed-end funds, mutual funds, bonds and structured products which are designed to achieve clients' stated goals.

Fundamental Analysis

Fundamental analysis involves an evaluation of an issuer's fundamental financial condition and competitive position. Pillar Wealth Advisors generally analyzes the financial condition, capabilities of management, earnings capacity, new products and services, as well as the company's markets and position amongst its industry competitors in order to determine the recommendations made to clients. A

substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical Analysis

Technical analysis involves the examination of past market data rather than specific company information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Pillar Wealth Advisors will be able to accurately predict such a reoccurrence.

Risks of Loss

Mutual Funds and Exchange-Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Market Risks

The profitability of a significant portion of Pillar Wealth Advisors' recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Pillar Wealth Advisors will be able to predict those price movements accurately.

Use of Independent Managers

Pillar Wealth Advisors may recommend the use of *Independent Managers*. In these situations, Pillar Wealth Advisors continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In addition, Pillar Wealth Advisors generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

Use of Private Collective Investment Vehicles

Pillar Wealth Advisors recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Voting of Client Securities

Pillar Wealth Advisors does not accept the authority to vote clients' securities (i.e., proxies) on their behalf.

Item 7. Client Information Provided to Portfolio Managers

Clients participating in the Program generally grant Pillar Wealth Advisors the authority to discuss certain non-public information with the *Independent Managers* engaged to manage their accounts. Depending upon the specific arrangement, the firm may be authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, tax identification numbers and account numbers. Pillar Wealth Advisors may also share certain information related to its clients' financial positions and investment objectives in an effort to ensure that the *Independent Managers'* investment decisions remain aligned with its clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its clients' portfolios.

Item 8. Client Contact with Portfolio Managers

There are no restrictions on clients' ability to correspond with Pillar Wealth Advisors. Clients can generally contact the *Independent Managers* managing their portfolios through Pillar Wealth Advisors by providing the firm with a written request and identification of the questions or issues to be discussed with the *Independent Managers*. After receiving the client's written request, Pillar Wealth Advisors, at its sole discretion, may contact the *Independent Managers* for the client or arrange for the *Independent Managers* and the client to communicate directly.

Item 9. Additional Information

Disciplinary Information

Pillar Wealth Advisors has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

Other Financial Industry Activities and Affiliations

Registered Representatives of a Broker-Dealer

Certain of the firm's *Supervised Persons* are registered representatives of Hornor, Townsend & Kent, Inc. (hereinafter "*HTK*"), an SEC registered broker-dealer and member of FINRA and SIPC, and may provide clients with securities brokerage services under a separate commission-based arrangement. A conflict of interest exists to the extent that Pillar Wealth Advisors recommends the purchase of a security and its *Supervised Person* receives a portion of the commissions paid to *HTK*. Pillar Wealth Advisors has procedures in place to ensure that all recommendations are made in the best interests of clients regardless of any additional compensation earned. For accounts covered by ERISA (and such others that Pillar Wealth Advisors, in its sole discretion, deems appropriate), the firm provides investment advisory services on a fee offset basis. In this scenario, Pillar Wealth Advisors may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by the firm's *Supervised Persons* in their capacities as registered representatives of *HTK*.

Dually-Registered Investment Adviser Representatives

Certain of the firm's *Supervised Persons* are dually-registered as an investment adviser representatives of *HTK*, which is also an SEC registered investment adviser. A conflict of interest exists to the extent that Pillar Wealth Advisors recommends clients utilize the investment advisory services of *HTK* where one of its *Supervised Persons* is entitled to receive a portion of the investment advisory fees or other additional compensation.

Related Insurance Agency

Pillar Wealth Advisors is under common control with 1847 Financial LLC, a duly licensed insurance agency. Certain of Pillar Wealth Advisors' *Supervised Persons*, in their individual capacities, are also licensed insurance agents and, in such capacities, may recommend on a fully-disclosed commission basis the purchase of certain insurance products. A conflict of interest exists to the extent that Pillar Wealth Advisors recommends the purchase of insurance products where Pillar Wealth Advisors' *Supervised Persons* receive insurance commissions or other additional compensation.

Code of Ethics

Pillar Wealth Advisors has adopted a code of ethics ("*Code of Ethics*") made up of its personal securities transaction and insider trading policies and procedures. When Pillar Wealth Advisors is purchasing or considering for purchase any security on behalf of a client, no *Covered Person* (as defined below) may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Pillar Wealth Advisors is selling or considering the sale of any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Unless specifically defined in Pillar Wealth Advisors' procedures (summarized above), neither Pillar Wealth Advisors nor any of Pillar Wealth Advisors' Associated Persons may effect for himself or herself, for an Associated Person's immediate family (i.e., spouse, minor children, and adults living in the same household as the Associated Person), or for trusts for which the Associated Person serves as a trustee or in which the Associated Person has a beneficial interest (collectively "*Covered Persons*"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Pillar Wealth Advisors' clients.

The foregoing policies and procedures are not applicable to (a) transactions effected in any account over which neither Pillar Wealth Advisors nor any of its *Supervised Persons* (as defined in this Form ADV) has any direct or indirect influence or control; and (b) transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of Pillar Wealth Advisors' clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. Pillar Wealth Advisors will maintain records of these trades, including the reasons for any exceptions.

In accordance with applicable regulations, Pillar Wealth Advisors also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by Pillar Wealth Advisors or any of its *Supervised Persons*.

Clients and prospective clients may contact Pillar Wealth Advisors to request a copy of its *Code of Ethics*.

Account Reviews

Pillar Wealth Advisors monitors its clients' investment portfolios on a continuous and ongoing basis, and conducts regular account reviews at least quarterly. Such reviews are conducted by the firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Pillar Wealth Advisors and to keep Pillar Wealth Advisors informed of any changes

thereto. Pillar Wealth Advisors contacts ongoing investment advisory clients at least annually to review its previous services and recommendations, and to discuss the impact resulting from any changes in their financial situation and/or investment objectives.

Account Statements and General Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions*. Clients in the Program also receive reports from Pillar Wealth Advisors that may include relevant account and/or market-related information, such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare any supplemental reports they receive from Pillar Wealth Advisors and/or the *Independent Managers* with the account statements they receive from the *Financial Institutions*.

Client Referrals

Pillar Wealth Advisors does not currently provide compensation to any third parties for compensation. In the event a client is introduced to Pillar Wealth Advisors by a solicitor, Pillar Wealth Advisors may pay that solicitor a referral fee in accordance with applicable laws, rules and regulations. All referral fees are paid solely from Pillar Wealth Advisors' Program fee and do not result in any additional charges to the firm's clients. In these situations, clients are advised of the solicitation relationship with Pillar Wealth Advisors and are provided with the appropriate Wrap Fee Program Brochure and/or Disclosure Brochure prior to or at the time the *Agreement* is executed. Additionally, any third-party solicitors who are not affiliated with Pillar Wealth Advisors also provide clients with a copy of the solicitor's disclosure statement containing the terms and conditions (including compensation) of the solicitation arrangement.

Receipt of Economic Benefit

Pillar Wealth Advisors has arrangements in place whereby the firm receives an economic benefit from a third-party for providing investment advice to clients participating in the Program. Specifically, *Schwab* may provide the firm with computer software and related systems support, which allow Pillar Wealth Advisors to better monitor client accounts maintained at *Schwab*. Currently, Pillar Wealth Advisors is eligible to receive a \$12,500 credit from *Schwab* toward technology services for the first \$65 million in assets custodied at *Schwab* and an additional \$12,500 credit if those assets exceed \$110 million in value.

Pillar Wealth Advisors may receive these services without cost because Pillar Wealth Advisors renders investment management services to clients that maintain assets at *Schwab*. The software and related systems support may benefit Pillar Wealth Advisors, but not its clients directly. In fulfilling its duties to its clients, Pillar Wealth Advisors endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Pillar Wealth Advisors' receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Pillar Wealth Advisors' choice of broker-dealer over another that does not furnish similar software, systems support, or services.

Financial Information

Pillar Wealth Advisors is not required to disclose any financial information pursuant to this Item due to the following:

- The firm does not require or solicit the prepayment of more than \$500 in fees six months or more in advance;
- The firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 10. Requirements for State Registered Investment Advisers

Principal Executive Officers and Management Persons

JAMES J. MEEHAN

Born 1964

Post-Secondary Education

The American College | M.B.A | 2009

The United States Naval Academy | B.S. | 1982

Recent Business Background

Pillar Wealth Advisors, LLC | Managing Member | December 2011 – Present

Honor Townsend & Kent, Inc. | Financial Adviser | May 2011 – Present

Penn Mutual Life Insurance Company | Managing Director | May 2011 – Present

New England Securities | Financial Adviser | June 1991 – May 2011

Creative Financial Group | Financial Adviser | September 1990 – May 2011

MICHAEL C. BREE

Born 1968

Post-Secondary Education

Widener University | B.S., Finance | 1990

Recent Business Background

Pillar Wealth Advisors, LLC | Managing Member | December 2011 – Present

Honor Townsend & Kent, Inc. | Financial Adviser | December 2011 – Present

Penn Mutual Life Insurance Company | Agent | December 2011 – Present

Advisornet Financial, Inc. | Investment Adviser Representative | March 2009 – Present

Financial Network Investment Corporation | Registered Representative | May 2008 – December 2011

Union Central | Second Line Manager | June 2008 – December 2011

Delaware Valley Financial Group | Sales | June 2002 – December 2011

Principal Life Insurance Company | Agent | October 2002 – May 2008

Princor Financial Services Corporation | Registered Representative | October 2002 – May 2008

STEPHEN C. TARGET

Born 1967

Post-Secondary Education

The Pennsylvania State University | B.S., Economics | 1989

Recent Business Background

Pillar Wealth Advisors, LLC | Investment Adviser Representative | December 2011 – Present

Honor Townsend & Kent, Inc. | Financial Adviser | September 2006 – Present

The Penn Mutual Life Insurance Company | Managing Director | September 2006 – Present

RICHARD C. CLARK

Born 1964

Post-Secondary Education

University of Delaware | B.S., Accounting | 1996

Recent Business Background

Pillar Wealth Advisors, LLC | Investment Adviser Representative | December 2011 – Present

Honor Townsend & Kent, Inc. | Financial Adviser | December 2011 – Present

Advisornet Financial, Inc. | Investment Adviser Representative | March 2009 – December 2011

Financial Network Investment Corporation | Investment Adviser Representative | June 2008 – December 2011

Principal Financial | Agent | August 2005 – June 2008

Princor | Registered Representative | August 2005 – June 2008

Performance Based Fees

Neither the firm nor its management persons provide any services for performance based fees, as discussed in Item 6.

Civil and Administrative Proceedings

Neither the firm nor its management persons have been subject to an award or otherwise found liable in an action involving a violation of any investment related statute.

Relationships with Issuers

Neither the firm nor its management persons have a relationship with any issuer of securities.



Prepared by:

