

Disclosure Brochure

July 19, 2012



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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 United States Securities and Exchange Commission or by any state securities authority. Additional information about Pillar Wealth Advisors is available on the SEC's 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 any material changes which have been made to the brochure since the last annual amendment.

State Registration

Due to new regulatory changes stemming from the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pillar Wealth Advisors is required to obtain state-level investment adviser registration and withdraw its current registration with the U.S. Securities and Exchange Commission (SEC). This switch to state registration means that Pillar Wealth Advisors will be primarily regulated by various state securities regulators, rather than the SEC. This change in registration status will have little, if any, impact on the investment advisory services that Pillar Wealth Advisors provides to its clients. Pillar Wealth Advisors will, however, now provide clients with duplicate fee invoices describing the amounts debited for payment of the firm's management fees, in accordance with applicable state laws, rules and regulations.

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Item 4. Advisory Business

Pillar Wealth Advisors has been in business as an independent registered investment adviser since December 2011. The firm is owned by James J. Meehan III, Michael C. Bree, Richard C. Clark, and Stephen C. Target.

Pillar Wealth Advisors offers a variety of wealth management services, which includes financial planning, consulting and portfolio management. Prior to the rendering of the foregoing advisory services, 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*”). As of July 18, 2012, Pillar Wealth Advisors had approximately \$55,800,000 in assets under management, all of which was managed on a discretionary basis.

While this brochure generally describes the business of Pillar Wealth Advisors, certain sections also discuss the activities of its *Supervised Persons*, which refer to the firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Pillar Wealth Advisors’ behalf and is subject to the firm’s supervision or control.

Financial Planning and Consulting Services

Pillar Wealth Advisors offers clients a range of financial planning and 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

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement. In performing these services, Pillar Wealth Advisors is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Pillar Wealth Advisors may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations.

Clients are advised that a conflict of interest exists if Pillar Wealth Advisors recommends its own services. Clients are under no obligation to act upon any of the recommendations made by Pillar Wealth Advisors under a financial planning or consulting engagement or to engage the services of any such recommended

professional, including Pillar Wealth Advisors itself. Clients retain absolute discretion over all such implementation decisions. Clients are advised that it remains their responsibility to promptly notify Pillar Wealth Advisors if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Pillar Wealth Advisors' previous recommendations and/or services.

Investment Management Services

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

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.

These investment management services are offered under a non-wrap arrangement (i.e., where clients directly incur securities brokerage charges and transaction fees) or through a wrap fee program (i.e., where Pillar Wealth Advisors covers securities brokerage charges and transaction fees). Accounts managed through the wrap fee program are done so in substantially the same manner as those managed under a non-wrap arrangement. Additional information about the wrap fee program is available in the Pillar Wealth Advisors Wrap Brochure, which appears as Part 2A Appendix 1 of the firm's Form ADV.

Use of Independent Managers

As mentioned above, Pillar Wealth Advisors recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"). The terms and conditions under which a 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, clients also receive the written disclosure brochure of the designated *Independent Managers* engaged to manage their assets.

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.

Pillar Wealth Advisors continues to provide services relative to the discretionary or non-discretionary selection of the *Independent Managers*. On an ongoing basis, the firm 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.

Item 5. Fees and Compensation

Pillar Wealth Advisors offers its services on a fee basis, which may include fixed fees and/or fees based on assets under the firm's management. In addition, certain of the firm's *Supervised Persons* may also provide insurance products and securities brokerage services under separate commission based arrangements.

Financial Planning and Consulting Fees

Pillar Wealth Advisors generally charges a fixed fee to provide clients with stand-alone financial planning or consulting services. These fees are largely determined by the scope and length of the agreed upon services and may range up to \$100,000 for highly extensive and involved engagements. The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with Pillar Wealth Advisors.

Pillar Wealth Advisors generally requires one-half of the financial planning or consulting fee payable upon execution of the *Agreement* and the balance due at the time the financial plan is delivered or the underlying services are rendered to completion. In other cases, the nature of the planning relationship may be ongoing. Fees for ongoing financial planning or consulting service are generally charged on a quarterly basis. Depending on the arrangement, if the client engages Pillar Wealth Advisors for additional investment advisory services, Pillar Wealth Advisors may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Investment Management Fees

Pillar Wealth Advisors provides investment management services for an annual fee based on the amount of assets under the firm's management. For portfolios managed outside of the wrap fee program, this fee varies between 100 and 250 basis points (1.00% – 2.50%), based on the following blended fee schedule:

PORTFOLIO VALUE	ANNUAL FEE
First \$250,000	2.50%
\$250,001 – \$500,000	2.25%
\$500,001 – \$1,000,000	1.75%
\$1,000,001 – \$2,500,000	1.50%
\$2,500,001 – \$5,000,000	1.25%
Above \$5,000,000	1.00%

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 with respect to such 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 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.

Fees Charged by Financial Institutions

As further discussed in response to Item 12, Pillar Wealth Advisors generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. (hereinafter "*Schwab*") for investment management accounts.

Pillar Wealth Advisors may only implement its investment management recommendations after the client has arranged for and furnished Pillar Wealth Advisors with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Schwab*, another broker-dealer recommended by Pillar Wealth Advisors, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as fees charged by *Independent Managers*, custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are 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. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Pillar Wealth Advisors' fee.

Fee Debit

Pillar Wealth Advisors' *Agreement* and the separate agreement with any *Financial Institutions* generally authorize Pillar Wealth Advisors and/or *Independent Managers* to debit the client's account for the amount of Pillar Wealth Advisors' fee and to directly remit that management fee to Pillar Wealth Advisors and/or the *Independent Managers*. Any *Financial Institutions* recommended by Pillar Wealth Advisors have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management 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.

Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with Pillar Wealth Advisors (but not Pillar Wealth Advisors) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Pillar Wealth Advisors. Under this arrangement, clients may implement securities transactions through certain of Pillar Wealth Advisors' *Supervised Persons* in their respective individual capacities as registered representatives of Hornor, Townsend & Kent, Inc. (hereinafter "*HTK*"), an SEC registered broker-dealer and member of FINRA/SIPC. *HTK* may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by *HTK* to such *Supervised Persons*. Prior to effecting any transactions, clients are required to enter into a new account agreement with *HTK*. The brokerage commissions charged by *HTK* may be higher or lower than those charged by other broker-dealers. In addition, certain of Pillar Wealth Advisors' *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

A conflict of interest exists to the extent that Pillar Wealth Advisors recommends the purchase of securities where Pillar Wealth Advisors' *Supervised Persons* receive commissions or other additional compensation as a result of Pillar Wealth Advisors' recommendations. Such *Supervised Persons* may have an incentive to recommend investment products based on the compensation received rather than on a client's needs. Pillar Wealth Advisors has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients. For accounts covered by ERISA (and such others that Pillar Wealth Advisors, in its sole discretion, deems appropriate), Pillar Wealth Advisors may provide its 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 Pillar Wealth Advisors' *Supervised Persons* in their individual capacities as registered representatives of *HTK*.

Item 6. Performance-Based Fees and 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).

Item 7. Types of Clients

Pillar Wealth Advisors provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Account Requirements

Pillar Wealth Advisors does not impose any stated account requirements for investment management clients, but does impose a minimum annual fee of \$300 for clients who engage the firm to provide stand-alone financial planning or consulting services. Pillar Wealth Advisors, in its sole discretion, may waive its minimum annual 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 relationships, account retention, and *pro bono* activities.

Certain *Independent Managers* may also maintain 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*.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

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.

Item 9. 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.

Item 10. Other Financial Industry Activities and Affiliations

Registered Representatives of a Broker-Dealer

As discussed in Item 5, certain of the firm's *Supervised Persons* are registered representatives of *HTK* and may provide clients with securities brokerage services under a separate commission based arrangement. A conflict of interest exists to the extent Pillar Wealth Advisors recommends the purchase of a security and one of its *Supervised Persons* receives a portion of the commissions paid to *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.

Item 11. 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*.

Item 12. Brokerage Practices

As discussed in Item 5, Pillar Wealth Advisors generally recommends that clients utilize the brokerage and clearing services of *Schwab*.

Factors which Pillar Wealth Advisors considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* enables Pillar Wealth Advisors to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Pillar Wealth Advisors' clients comply with Pillar Wealth Advisors' duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Pillar Wealth Advisors determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Pillar Wealth Advisors seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom Pillar Wealth Advisors and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. Pillar Wealth Advisors periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Pillar Wealth Advisors in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Pillar Wealth Advisors will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Pillar Wealth Advisors (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Pillar Wealth Advisors may decline a client's request to direct brokerage if, in Pillar Wealth Advisors' sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless Pillar Wealth Advisors decides to purchase or sell the same securities for several clients at approximately the same time. Pillar Wealth Advisors may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Pillar Wealth Advisors' clients

differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Pillar Wealth Advisors' clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Pillar Wealth Advisors determines to aggregate client orders for the purchase or sale of securities, including securities in which Pillar Wealth Advisors' *Supervised Persons* may invest, Pillar Wealth Advisors generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Pillar Wealth Advisors does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Pillar Wealth Advisors determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Pillar Wealth Advisors may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Pillar Wealth Advisors in its investment decision-making process. Such research generally will be used to service all of Pillar Wealth Advisors' clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Pillar Wealth Advisors does not have to produce or pay for the products or services.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *HTK*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *HTK* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be

restricted to conducting securities transactions through *HTK* unless they first secure written consent from *HTK* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *HTK*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *HTK* under *HTK*'s internal supervisory policies. Pillar Wealth Advisors is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Software and Support Provided by Financial Institutions

Pillar Wealth Advisors may receive from *Schwab*, without cost to Pillar Wealth Advisors, computer software and related systems support, which allow the firm 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 broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Pillar Wealth Advisors may receive the following benefits from *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

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*. Investment management clients 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*.

Item 14. Client Referrals and Other Compensation

Client Referrals

Pillar Wealth Advisors does not currently compensate any third parties for client referrals. 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' management 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 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.

Other Economic Benefit

Pillar Wealth Advisors may receive economic benefits from non-clients for providing investment advice to the firm's advisory clients. This type of relationship poses a conflict of interest, as discussed at length in Item 12.

Item 15. Custody

Pillar Wealth Advisors' *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Pillar Wealth Advisors through such *Financial Institution* to debit the client's account for the amount of Pillar Wealth Advisors' fee and to directly remit that management fee to Pillar Wealth Advisors in accordance with applicable custody rules.

The *Financial Institutions* recommended by Pillar Wealth Advisors have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Pillar Wealth Advisors. In addition, as discussed in Item 13, Pillar Wealth Advisors also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Pillar Wealth Advisors.

Item 16. Investment Discretion

Pillar Wealth Advisors may be given the authority to exercise discretion on behalf of clients. Pillar Wealth Advisors is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Pillar Wealth Advisors is given this authority through a power-of-attorney included in the agreement between Pillar Wealth Advisors and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Pillar Wealth Advisors takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

Item 17. Voting Client Securities

Pillar Wealth Advisors does not accept the authority to vote clients' securities (i.e., proxies) on their behalves. Clients receive proxies directly from the *Financial Institutions* where their assets are custodied and may contact the Firm at the number on the cover of this brochure with questions about proxies and/or other such solicitations.

Item 18. 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 19. 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 Partner | 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 – July 2010

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 | 1986

Recent Business Background

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

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

Advisonet 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:

