

Disclosure Brochure

November 23, 2012

Adderack Wealth Management, LLC

A Registered Investment Adviser

This brochure provides information about the qualifications and business practices of Adderack Wealth Management, LLC (hereinafter "AWM"). If you have any questions about the contents of this brochure, please contact Alyssa Kolber at (201) 705-1225. 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 Adderack Wealth Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Adderack Wealth Management, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

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Item 2. Material Changes

This Item discusses only the material changes that have occurred since AWM's last annual update. Since this is AWM's initial Disclosure Brochure, there are no material changes to report.

Item 3. Table of Contents

Firm Disclosure Brochure

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Item 4. Advisory Business

AWM (alternatively referred to as the “firm”) was established to provide skilled financial guidance, advice and service to those high net-worth individuals, families and business owners who are facing financial transition and who seek an independent and non-biased alternative to the large banks and investment firms. The firm works with clients through its financial planning and investment management services.

Prior to engaging AWM to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with AWM setting forth the terms and conditions under which AWM renders its services (collectively the “*Agreement*”).

AWM was formed in August 2012 and is owned by Interim Holdings, LLC. Since the firm has not yet begun to provide any advisory services, it does not yet have any assets under management.

This Disclosure Brochure describes the business of AWM. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of AWM’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 AWM’s behalf and is subject to AWM’s supervision or control.

Financial Planning and Consulting Services

AWM may provide its clients with a broad range of comprehensive financial planning and consulting services. These services are tailored based on the individual needs of the client, but may include retirement, educating, estate and business planning, and insurance and cash flow needs analysis. The firm does not provide advice on any tax-related matters.

In performing its services, AWM 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. AWM may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if AWM recommends its own services. The client is under no obligation to act upon any of the recommendations made by AWM under a financial planning or consulting engagement or to engage the services of any such recommended professional, including AWM itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of AWM’s recommendations. Clients are advised that it remains their responsibility to promptly notify AWM if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising AWM’s previous recommendations and/or services.

Investment Management Services

Clients can engage AWM to manage all or a portion of their assets on a discretionary or non-discretionary basis. AWM primarily allocates clients’ investment management assets among exchange-traded funds

("ETFs"), but may also incorporate individual bonds and other securities, and in limited circumstances utilize *Independent Managers* (as defined below) in accordance with the investment objectives of the client. AWM also provides advice about any type of investment held in clients' portfolios.

AWM tailors its advisory services to the individual needs of clients. AWM consults with clients initially and on an ongoing basis to develop an investment policy statement which determines risk tolerance, time horizon and other factors that may impact the clients' investment needs. AWM ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify AWM if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon AWM's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in AWM's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Use of Independent Managers

As mentioned above, in limited circumstances AWM may recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment managers ("*Independent Managers*"), based upon the stated investment objectives of the client. The terms and conditions under which the client engages the *Independent Managers* are set forth in a separate written agreement between AWM or the client and the designated *Independent Managers*. AWM renders services to the client relative to the discretionary and/or non-discretionary selection or recommendation of *Independent Managers*. AWM also monitors and reviews the account performance and the client's investment objectives. AWM receives an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Managers*.

When recommending or selecting an *Independent Manager* for a client, AWM reviews information about the *Independent Manager* such as its disclosure brochure and/or material supplied by the *Independent Manager* or independent third parties for a description of the *Independent Manager's* investment strategies, past performance and risk results to the extent available. Factors that AWM considers in recommending an *Independent Manager* include the client's stated investment objectives, management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Managers*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, may be exclusive of, and in addition to, AWM's investment advisory fee set forth above. As discussed above, the client may incur additional fees than those charged by AWM, the designated *Independent Managers*, and corresponding broker-dealer and custodian.

In addition to AWM's written disclosure brochure, the client also receives the written disclosure brochure of the designated *Independent Managers*. Certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than AWM. In such instances, AWM may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

Item 5. Fees and Compensation

AWM offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

Financial Planning and Consulting Fees

AWM may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$500 to \$1,500 on a fixed fee basis and/or from \$150 to \$300 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages AWM for additional investment advisory services, AWM 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.

Prior to engaging AWM to provide financial planning and/or consulting services, the client is required to enter into a written agreement with AWM setting forth the terms and conditions of the engagement. Generally, AWM requires one-half of the financial planning / consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Investment Management Fee

AWM provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by AWM. AWM's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. AWM does not, however, receive any portion of these commissions, fees, and costs.

AWM's annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by AWM on the last day of the previous quarter. The annual fee varies (between 0.50% and 2.00%) depending upon the market value of the assets under management and the type of investment management services to be rendered.

AWM, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to

be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), AWM generally recommends that clients utilize the brokerage and clearing services of an independent broker-dealer for investment management accounts.

AWM may only implement its investment management recommendations after the client has arranged for and furnished AWM with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to any broker-dealers recommended by AWM, broker-dealers 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, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to AWM's fee.

AWM's *Agreement* and the separate agreement with any *Financial Institutions* authorize AWM or *Independent Managers* to debit the client's account for the amount of AWM's fee and to directly remit that management fee to AWM or the *Independent Managers*. Any *Financial Institutions* recommended by AWM 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 AWM.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis. If assets are deposited into or withdrawn from an account after the inception of a quarter that exceed \$50,000, the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter.

The *Agreement* between AWM and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. AWM's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to AWM's right to terminate an account. Additions may be in cash or securities provided that AWM 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 AWM, subject to the usual and customary securities

settlement procedures. However, AWM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. AWM may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Item 6. Performance-Based Fees and Side-by-Side Management

AWM does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

AWM provides its services to individuals, trusts, estates, charitable organizations, corporations and business entities.

Minimums Imposed By Independent Managers

AWM does not impose a minimum portfolio size or minimum annual fee. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than AWM. In such instances, AWM 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

AWM's primary method of analysis is technical. Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using 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 AWM will be able to accurately predict such a reoccurrence.

Investment Strategies

AWM's philosophy to wealth management is founded on its goal-based planning methodology, as well as its internally developed tactical approach to investment management. The firm's investment

management is driven from either an investment policy statement or financial plan. The firm's goal-based plans illuminate the ultimate goal for client portfolios and provide both a framework and a map from which to determine investment progress. The firm's tactical approach to investment management enables it to track market trends and maneuver clients' portfolios to take advantage of relative strength movements in the various financial markets. Although AWM primarily allocates client assets among ETFs, the firm may incorporate individual bonds and other types of securities as appropriate. The firm may also advise on any legacy positions held in a client account. In limited circumstances, the firm may allocate a portion of the portfolio among one or more *Independent Managers*.

The firm does not subscribe to the theory that one should employ either a strategic or tactical approach to managing a portfolio, but rather believes the prudent path is a combination of both methodologies, customized for each individual investor, their objectives and the prevailing market trends.

At the foundation of AWM's investment approach is the investment plan-driven strategic asset allocation. This allocation derives from the specific investment parameters determined for each client goal and the level of risk-to-capital a client is willing to accept given that goal. Among the investment parameters considered for each client goal are: investment time frame, return expectations, tax considerations, the need for income, risk constraints, and liquidity needs. Once these parameters are established a customized, long-term, targeted and prudent strategic asset allocation is created for each investment portfolio.

No matter how thought out a strategic asset allocation may be, market, economic and geopolitical conditions can have a drastic and immediate impact on a client's ability to meet their financial needs. AWM's tactical allocation approach is a proprietary methodology for analyzing both asset class and position weightings in light of prevailing market risks. This step provides a guiding compass from which to determine both the current position and the make-up of client portfolios. Should conditions warrant, the firm tactically adjusts its strategic recommendations for an interim period through the over or under-weighting of the assets classes in an attempt to mitigate cyclical risks to the portfolio's capital. The firm continually monitors the factors affecting their strategic and tactical asset allocation and to making proactive portfolio adjustments to capitalize on changing needs and market shifts.

Risks of Loss

Exchange Traded Funds (ETFs)

An investment in an ETF involves risk, including the loss of principal. 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 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 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.

Market Risks

The profitability of a portion of AWM's 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 AWM will be able to predict those price movements accurately.

Use of Independent Managers

In limited circumstances, AWM may recommend the use of *Independent Managers* for certain clients. AWM will continue 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 strategy. In addition, AWM does not have the ability to supervise the *Independent Managers* on a day-to-day basis other than as previously described in response to Item 4, above.

Use of Margin

To the extent that a client authorizes the use of margin, and margin is thereafter employed by AWM in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to AWM will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to AWM. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

While the use of margin borrowing can substantially improve returns, such use may also increase the adverse impact to which a client's portfolio may be subject. Borrowings will usually be from securities brokers and dealers and will typically be secured by the client's securities and/or other assets. Under certain circumstances, such a broker-dealer may demand an increase in the collateral that secures the client's obligations and if the client were unable to provide additional collateral, the broker-dealer could liquidate assets held in the account to satisfy the client's obligations to the broker-dealer. Liquidation in that manner could have extremely adverse consequences. In addition, the amount of the client's borrowings and the interest rates on those borrowings, which will fluctuate, will have a significant effect on the client's profitability.

General Risk of Loss

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

Item 9. Disciplinary Information

AWM is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. AWM does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

AWM is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. AWM does not have any required disclosures to this Item.

Item 11. Code of Ethics

AWM and persons associated with AWM ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with AWM's policies and procedures.

AWM has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). AWM's *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by AWM or any of its associated persons. The *Code of Ethics* also requires that certain of AWM's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When AWM is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase

agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

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

Item 12. Brokerage Practices

AWM generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Factors which AWM considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables AWM to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, *Fidelity* has agreed to compensate clients for any transfer fees that may be assessed for moving their account(s) to *Fidelity*. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by AWM's clients comply with AWM's 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 AWM 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. AWM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

AWM 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 AWM 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 AWM 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 AWM (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, AWM may decline a client's request to direct brokerage if, in AWM's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless AWM decides to purchase or sell the same securities for several clients at approximately the same time. AWM 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 AWM's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among AWM's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that AWM determines to aggregate client orders for the purchase or sale of securities, including securities in which AWM's *Supervised Persons* may invest, AWM 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. AWM does not receive any additional compensation or remuneration as a result of the aggregation. In the event that AWM 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, AWM 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 AWM in its investment decision-making process. Such research generally will be used to service all of AWM's 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 AWM does not have to produce or pay for the products or services.

Software and Support Provided by Financial Institutions

AWM may receive from *Fidelity*, without cost to AWM, computer software and related systems support, which allow AWM to better monitor client accounts maintained at *Fidelity*. AWM may receive the software and related support without cost because AWM renders investment management services to clients that maintain assets at *Fidelity*. The software and support is not provided in connection with securities transactions of clients (i.e. not “soft dollars”). The software and related systems support may benefit AWM, but not its clients directly. In fulfilling its duties to its clients, AWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that AWM's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence AWM's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, AWM may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group 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

For those clients to whom AWM provides investment management services, AWM monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom AWM provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of AWM's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with AWM and to keep AWM informed of any changes thereto. AWM contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom AWM provides investment advisory services will also receive a report from AWM that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a periodic basis. Clients should compare the account statements they receive from their custodian with those they receive from AWM.

Those clients to whom AWM provides financial planning and/or consulting services will receive reports from AWM summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by AWM.

Item 14. Client Referrals and Other Compensation

AWM is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, AWM is required to disclose any direct or indirect compensation that it provides for client referrals.

AWM may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above. The firm does not compensate for referrals.

Item 15. Custody

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

The *Financial Institutions* recommended by AWM 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 AWM. In addition, as discussed in Item 13, AWM 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 AWM.

Item 16. Investment Discretion

AWM may be given the authority to exercise discretion on behalf of clients. AWM 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. AWM is given this authority through a power-of-attorney included in the agreement between AWM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). AWM 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

AWM is required to disclose if it accepts authority to vote client securities. AWM does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions* and may contact the firm with any questions by calling the number on the cover of this Disclosure Brochure.

Item 18. Financial Information

AWM does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, AWM is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. AWM has no disclosures pursuant to this Item.

Adderack Wealth Management, LLC
A Registered Investment Adviser

Prepared by:



MARKETCOUNSEL®
The Adviser's Advisor®