



BSC

Private Wealth Management

Part 2A of Form ADV: *Firm Brochure*

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3/15/2013

This brochure provides information about the qualifications and business practices of BSC Private Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 847-841-8650 or general@bsc-pwm.com. 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 BSC Private Wealth Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 139886.

Item 2 Material Changes

This Firm Brochure, dated 03/15/2013, provides you with a summary of BSC Private Wealth Management, LLC's advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31st. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated 12/04/2012:

- BSC Private Wealth Management, LLC has opened a new location in St. Charles, IL
- Amount of Managed assets has been updated as of 01/01/2013 under Item 4
- Fees and Compensation disclosures have been enhanced under Item 5, and now include Fixed and Hourly Fee disclosures
- Other Industry Activities and Affiliations disclosures have been enhanced under Item 10
- Brokerage Practices disclosures have been enhanced under Item 12

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Item 4 Advisory Business

BSC Private Wealth Management, LLC is a SEC-registered investment adviser with its principal place of business located in Illinois. BSC Private Wealth Management, LLC began conducting business in 2006.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

John E. Chapman, Managing Partner - Chief Investment Strategist

BSC Private Wealth Management, LLC offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to clients regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment strategy and create and manage a portfolio based on that strategy.

During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and may generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Not all clients or client accounts will have exposure to the instruments listed above.

RETIREMENT PLAN CONSULTING SERVICES

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Retirement Plan Consulting Services are comprised of four distinct services.

Clients may choose to use any or all of these services.

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm may then prepare a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

We assist plan sponsors in constructing appropriate investment menus. We will then review various mutual funds (both index and managed) and exchange traded funds to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined through our consultation with the client, based on the IPS.

Monitoring of Investment Performance:

We monitor the plan sponsor's investment menu continually, based on the procedures and timing intervals agreed to with the client. Although each plan participant is responsible for the purchase or sale of these investments within their individual participant accounts, we will supervise the plan sponsor's investment menu and will make recommendations to the client as market factors and the client's needs dictate.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide educational support and investment workshops designed for the plan participants when the plan sponsor engages our firm to provide these services. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations. Individuals seeking individualized advice may request private consultation (either by telephone or in person), during which specific investment strategies may be discussed.

INSURANCE SERVICES

Our firm also operates an independent insurance agency and our advisors are licensed insurance agents. Accordingly, we can offer insurance products as may be required in a comprehensive wealth management plan.

BROKERAGE SERVICES

Our Managing Partner, John E. Chapman, is also registered with LPL Financial and can offer traditional brokerage services to clients not seeking an advisory relationship. These services involve all of the customary brokerage activities (such as the non-discretionary buying and selling of securities).

All brokerage services are performed outside of the fiduciary standard of care associated with our advisory practice and would involve customary commissions paid for individual transactions.

AMOUNT OF MANAGED ASSETS

As of 01/01/2013, through our Private Client Advisory Practice and our Retirement Plan Consultation Practice, we were actively managing a total of \$116,374,122 of client assets.

Of this total we were managing \$102,343,395 of clients' assets on a discretionary basis plus \$14,030,727 of Qualified Plan clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fee for Investment Supervisory Services are charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$4,999,999	1.00%
\$5,000,000 - \$7,499,999	0.90%
\$7,500,000 - \$9,999,999	0.85%
\$10,000,000 - \$14,999,999	0.80%
\$15,000,000 - \$24,999,999	0.75%
Over \$25,000,000	TBD

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter.

Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

Limited Negotiability of Advisory Fees: Although BSC Private Wealth Management, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis.

Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee. Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

The specific annual fee schedule is identified in the contract between the advisor and each client.

HOURLY / FIXED FEE CONSULTING SERVICES

BSC-PWM provides consulting services to individuals and businesses. BSC-PWM may also provide non-securities advice on topics that may include but are not limited to business consulting, retirement, estate, budgetary, education planning, personal and business tax planning in collaboration with a client's accountant and/or attorney.

BSC-PWM's hourly consulting services fee generally ranges from \$250 to \$350 per hour based on the range and complexity of the services being provided and resources assigned. Fixed fee for service may also be charged for case strategy reviews which range from \$2,000 to \$5,000 per case based on complexity. BSC Private Wealth Management, LLC will provide an estimate for the total hours or fixed fee at the start of the consulting relationship.

Fees are due and payable upon completion of the analysis or services. BSC-PWM reserves the right to credit any portion of this fee back to the client based on subsequent advisory engagements for asset management. The decision to credit these fees back to the client will be at the sole discretion of BSC-PWM based on each unique situation.

RETIREMENT PLAN CONSULTING FEES

Our fees for Pension Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$999,999	0.55%
\$1,000,000 - \$4,999,999	0.45%
\$5,000,000 - \$14,999,999	0.35%
\$15,000,000 - \$29,999,999	0.30%
Over \$30,000,000	0.25%

Plan sponsors may choose to have the fees paid in advance at the beginning of each calendar quarter, or they may be invoiced on a monthly basis.

GENERAL INFORMATION

Termination of the Advisory Relationship: An Advisory client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, a client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to BSC Private Wealth Management, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to BSC Private Wealth Management, LLC's minimum account requirements and advisory fees in effect at the time

the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: BSC Private Wealth Management, LLC is deemed to be a fiduciary to clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, BSC Private Wealth Management, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset BSC Private Wealth Management, LLC's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Non Advisory Compensation: Our firm may collect revenue related to Insurance Services and/or Brokerage Services that are normal and customary for the performance of those activities as described in Item 4 above.

Item 6 Performance-Based Fees and Side-By-Side Management

BSC Private Wealth Management, LLC does not charge performance-based fees.

Item 7 Types of Clients

BSC Private Wealth Management, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- Pension and profit sharing plans (other than plan participants)
- High net worth individuals
- Charitable organizations

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

METHODS OF ANALYSIS

We may use one or any combination of the following methods of analysis in formulating our investment advice and/or managing individual client assets:

Asset Allocation. Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets to various asset classes according to an individual's goals, risk tolerance, and investment horizon. Rather than focusing primarily on securities selection or market timing, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's circumstances. We regard asset allocation as one of the most important decisions an investor can make and as the principal determinant of portfolio performance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, may no longer be appropriate for the client's goals. Portfolio allocations will be monitored and rebalanced over time as determined by BSC Private Wealth Management, LLC.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We may use one or any combination of the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities and/or asset classes to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

Long-term purchases, otherwise known as "buy-and-hold" strategies, represent the core of our portfolio management philosophy. By definition, this strategy represents a passive investment strategy in which we hold various positions for a long period of time, regardless of short-term market fluctuations. For taxable accounts, a buy-and-hold strategy has certain tax benefits because gains from long-term investments tend to be taxed at a lower rate than those of short-term investments. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our forecasts are incorrect or if the market experiences high volatility, a security may decline sharply in value before we make the decision to sell.

Portfolio rebalancing. Portfolio rebalancing represents an important risk-control strategy. A portfolio's asset

allocation determines the portfolio's risk and return characteristics. The purpose of establishing an asset allocation strategy is to achieve target rates of return with acceptable levels of risk. Asset allocation is a risk management technique that mixes a wide variety of investments within a portfolio (diversification). Due to market fluctuations, a portfolio's allocation will shift over time. To recapture the portfolio's original risk and return characteristics, the portfolio must be rebalanced according to the risk tolerance, time horizon, and financial goals of the individual client. We monitor client portfolios carefully and will determine when, or if, rebalancing activities may be necessary. Additional factors we will consider when implementing a rebalancing strategy include client preferences, transaction costs, and potential tax implications.

Given these considerations, clients with similar asset allocation strategies may experience different rebalancing strategies.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

Margin transactions. For certain clients, we may purchase stocks for the portfolio with money borrowed from the brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings. The use of margin involves leverage and special risks. Accordingly, the use of margin requires specific approval on an account-by-account basis. Most clients will not participate in margin related activities.

Option writing. For certain clients, we may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We typically do not use options to speculate on the possibility of a sharp price swing. We may use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee (option premium) for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price -for an agreed upon length of time.

We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

The use of options involves leverage and special risks. Accordingly, the use of options requires specific approval on an account-by-account basis. Most clients will not participate in option trading activity.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk. Clients should understand that investing in any securities, including mutual funds and exchange traded funds, involves a risk of loss of both income and principal. Risk management disciplines such as asset allocation and portfolio rebalancing do not eliminate the risk of loss of both income and principal.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Registered Representative Associations

Mr. John Chapman, Managing Partner and Chief Investment Strategist is separately licensed as a registered representative of LPL Financial, an unaffiliated broker-dealer. Mr. Chapman, in his separate capacity, can effect securities transactions for which he will receive separate, yet customary compensation.

While BSC Private Wealth Management, LLC and employees endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of individuals when making recommendations.

Accounting Firm Affiliation

Certain management personnel of our firm are also partners in the accounting firm of Borhart Spellmeyer & Company, LLC, where they are individually licensed and practicing Certified Public Accountants providing accounting services for separate and typical compensation. These individuals will spend the majority of their time on their accounting practice.

Borhart Spellmeyer & Company, LLC will on occasion recommend BSC Private Wealth Management, LLC to accounting clients in need of advisory services. Conversely, BSC Private Wealth Management, LLC will on occasion recommend Borhart Spellmeyer & Company, LLC to advisory clients in need of accounting services.

Accounting services provided by Borhart Spellmeyer & Company, LLC are separate and distinct from our advisory services, and are provided for separate and typical compensation.

No BSC Private Wealth Management, LLC client is obligated to use Borhart Spellmeyer & Company, LLC for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by us. The accounting services of Borhart Spellmeyer & Company, LLC do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf.

Borhart Spellmeyer & Company, LLC employees will spend the majority of their time on their accounting practice.

Clients should be aware that certain professionals of Borhart Spellmeyer & Company, LLC are licensed Investment Advisor Representatives of BSC Private Wealth Management, LLC. Accordingly, these individuals may receive customary compensation related to their activities as Investment Advisor Representatives.

Clients should also be aware that certain professionals of BSC Private Wealth Management, LLC may receive referral compensation for clients referred to Borhart Spellmeyer & Company, LLC.

The receipt of additional compensation by Borhart Spellmeyer & Company, LLC, BSC Private Wealth Management, LLC and their respective management persons or employees creates a potential conflict of interest that may impair the objectivity of our firms.

Insurance Agency and Agents

John Chapman and certain other employees are management personnel of BSC Insurance Services, LLC an affiliated insurance agency. These management personnel and employees in their individual capacities are agents of BSC Insurance Services, LLC and agents for various independent insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

How we address all conflicts of interests

BSC Private Wealth Management, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

BSC Private Wealth Management, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of securities transactions reports as well as initial and annual account statements that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

BSC Private Wealth Management, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to john.chapman@bsc-pwm.com, or by calling us at 847-841-8650.

BSC Private Wealth Management, LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

BSC Private Wealth Management, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our

employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any thinly traded security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- ✓ No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- ✓ No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- ✓ It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- ✓ Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- ✓ We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- ✓ We have established procedures for the maintenance of all required books and records.
- ✓ All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- ✓ We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- ✓ We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- ✓ Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer and/or licensed as an insurance agent of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

BSC Private Wealth Management, LLC does not have any formal soft-dollar arrangements.

For clients in need of brokerage or custodial services, we recommend the use of LPL Financial, if appropriate to client needs. As previously disclosed, the recommendation of this broker may create a conflict of interest because management and the advisor representatives of BSC Private Wealth Management, LLC are separately licensed as a registered representative with the recommended firm. We recommend LPL Financial because we believe that LPL Financial provides quality execution services, competitive commissions, research products, and services that assist us in managing clients' accounts.

However, a client is not under any obligation to effect trades through any recommended broker. All clients are free to select any broker dealer of his or her choice.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than LPL Financial if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of LPL Financial, it should be understood that BSC Private Wealth Management, LLC will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker). Clients should note, while BSC Private Wealth Management, LLC has a reasonable belief that LPL Financial is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisers require clients to direct it to use a particular broker-dealer.

BSC Private Wealth Management, LLC receives other benefits as a result of having client's custody assets and effect trades through LPL Financial which include (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services ; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to BSC Private Wealth Management, LLC by third party vendors. LPL Financial may also pay or reimburse expenses (including travel, lodging, and meal expenses) for BSC Private Wealth Management, LLC's personnel to attend conferences or meetings relating to the program or to LPL Financial' s adviser custody and brokerage services generally.

Some of the products and services made available by LPL Financial may benefit BSC Private Wealth Management, LLC but may not benefit our client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at LPL Financial. Other services made available by LPL Financial are intended to help us manage and further develop our business enterprise. The benefits received by BSC Private Wealth Management, LLC or our personnel as registered representatives through participation in the program do not depend on the amount of brokerage transactions directed to LPL Financial. Clients should be aware, however, that the receipt of economic benefits by BSC Private Wealth Management, LLC or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our recommendation of LPL Financial for custody and brokerage services.

As a matter of policy and practice, BSC Private Wealth Management, LLC does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed periodically. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

Accounts are reviewed periodically by the advisor of record for each client relationship. At the time of these periodic reviews, the advisor of record may or may not direct that specific accounts be further reviewed by the John E. Chapman as the Chief Investment Strategist or by members of the firm's Investment Policy Committee.

Supervisory review of accounts is regularly performed by John E. Chapman and the Chief Compliance Officer on a periodic basis.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we periodically provide additional reports summarizing account performance, balances and

holdings as part of our regular client review process.

RETIREMENT PLAN CONSULTING SERVICES

REVIEWS: BSC Private Wealth Management, LLC will review the client's Investment Menu whenever the client advises us of a change in circumstances regarding the needs of the plan. BSC Private Wealth Management, LLC will also review the investment menu of the plan according to the agreed upon time intervals established with the client. Such reviews will generally occur several times a year.

Accounts are reviewed periodically by the advisor of record for each client relationship. The advisor of record may or may not direct that specific plans be further reviewed by John E. Chapman as the Chief Investment Strategist or by members of the firm's Investment Policy Committee.

Supervisory review of plans is regularly performed by John E. on a periodic basis.

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory relationship.

Item 14 Client Referrals and Other Compensation

It is BSC Private Wealth Management, LLC's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is BSC Private Wealth Management, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian calculates the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

It is important for clients to carefully review their custodial statements to verify the accuracy of the fee calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also provide performance and holding statements directly to our clients as part of our regular client communications. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell; and/or
- determine when to buy or sell the security

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will receive directly copies of all proxies and shareholder communications relating to the client's investment assets. We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, we are required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. BSC Private Wealth Management, LLC has no additional financial circumstances to report. Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. BSC Private Wealth Management, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.