

Riley Wealth Management, LLC Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of Riley Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (817) 870-4680 or by email at: William.Riley@RileyWealth.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 Riley Wealth Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Riley Wealth Management, LLC's CRD number is: 145734



306 West Seventh Street, Suite 602
Fort Worth, Texas, 76102
(817) 870-4680
www.rileywealth.com
William.Riley@RileyWealth.com

Registration does not imply a certain level of skill or training.

Version Date: May 2, 2013

Item 2: Material Changes

Riley Wealth Management, LLC has no material changes to report since the previous annual amendment filed on March 23, 2012.

Item 3: Table of Contents

Item 2: Material Changes	i
Item 3: Table of Contents	ii
Item 4: Services Fees and Compensation.....	1
A. Description of Services.....	1
B. Contribution Cost Factors.....	1
C. Additional Fees	1
D. Compensation of Client Participation.....	2
Item 5: Account Requirements and Types of Clients	2
Minimum Account Size.....	2
Item 6: Portfolio Manager Selection and Evaluation.....	2
A. Selecting/Reviewing Portfolio Managers	2
1. Standards Used to Calculate Portfolio Manager Performance	2
2. Review of Performance Information.....	2
B. Related Persons	3
C. Advisory Business	3
Investment Supervisory Services	3
Selection of Other Advisors	3
Financial Planning.....	4
Item 6: Performance-Based Fees and Side-By-Side Management	4
Client Tailored Services and Client Imposed Restrictions	4
Wrap Fee Programs.....	4
Amounts Under Management.....	4
Methods of Analysis and Investment Strategies	5
Charting analysis.....	5
Fundamental analysis.....	5
Technical analysis.....	5
Material Risks Involved.....	5
Fundamental analysis	5
Technical analysis.....	5
Risks of Specific Securities Utilized	6
Voting Client Proxies	6
Item 7: Client Information Provided to Portfolio Managers	6
Item 8: Client Contact with Portfolio Managers	6
Item 9: Additional Information.....	6
A. Disciplinary Action and Other Financial Industry Activities.....	6

Criminal or Civil Actions	6
Administrative Proceedings.....	6
Self-regulatory Organization (SR) Proceedings.....	7
Registration as a Broker/Dealer or Broker/Dealer Representative.....	7
Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	7
Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests	7
Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections	7
B. Code of Ethics, Client Referrals and Financial Information	8
Code of Ethics	8
Investing Personal Money in the Same Securities as Clients	8
Frequency and Nature of Periodic Reviews and Who Makes Those Reviews	8
Factors That Will Trigger a Non-Periodic Review of Client Accounts	8
Content and Frequency of Regular Reports Provided to Clients	8
Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)	9
Compensation to Non – Advisory Personnel for Client Referrals	9
Balance Sheet.....	9
Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients.....	9
Bankruptcy Petitions in Previous Ten Years.....	9

Item 4: Services Fees and Compensation

Riley Wealth Management, LLC (hereinafter "RWM") offers the following services to advisory clients:

A. Description of Services

RWM participates in and sponsors a wrap fee program for certain investment management service clients. This wrap fee program allows RWM to manage client accounts for a single fee that includes portfolio management services and custodial costs. The fees are payable monthly in arrears and the final schedule for this program is represented below:

Total Assets Under Management	Annual Fee
\$0 – \$500,000	1.50%
\$500,001 – \$1,000,000	1.25%
\$1,000,001 – \$3,000,000	1.00%
Above \$3,000,000	Negotiable

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program including the cost of the services if provided separately and the trading activity in the client's account.

C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees; such as annual IRA fees to the custodian, termination fees if the account is moved to another broker, or third party adviser fees.

D. Compensation of Client Participation

Neither RWM, nor any representatives of RWM receive any additional compensation for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and to other services. Therefore, RWM may have a financial incentive to recommend the wrap fee program to clients.

Item 5: Account Requirements and Types of Clients

RWM generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

Minimum Account Size

There is an account minimum in order to participate in the wrap fee program of \$75,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

RWM will not select any outside portfolio managers for management of this wrap fee program. William E. Riley will be the sole portfolio manager for this wrap fee program.

1. Standards Used to Calculate Portfolio Manager Performance

RWM will use industry standards and Morningstar Pro to calculate portfolio manager performance.

2. Review of Performance Information

RWM reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed monthly and is reviewed by RWM.

B. Related Persons

No related persons act as a portfolio manager for the wrap fee program as described in this brochure. As such, there are no conflicts of interest with related persons and RWM will not select any related persons as portfolio managers for this wrap fee program.

C. Advisory Business

RWM offers investment supervisory services to its wrap fee program participants as detailed in Section 4 above. RWM limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, third party money managers, REITs, insurance products including annuities, private placements, government securities. RWM may use other securities as well to help diversify a portfolio when applicable.

Investment Supervisory Services

RWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. RWM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

RWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. RWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Selection of Other Advisors

RWM will direct clients to third party money managers; Abundance - Matson or Equis Capital. RWM will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between RWM and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. Before selecting other advisors for clients, RWM will always ensure those other advisors are properly licensed or registered as investment advisor.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on hourly fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

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

RWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Client Tailored Services and Client Imposed Restrictions

RWM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent RWM from properly servicing the client account, or if the restrictions would require RWM to deviate from its standard suite of services, RWM reserves the right to end the relationship.

Wrap Fee Programs

RWM participates in wrap fee programs; which is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. RWM does manage the investments in the wrap fee program. RWM does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to RWM as a management fee.

Amounts Under Management

RWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$103,000,000.00	\$0.00	12/31/2012

Methods of Analysis and Investment Strategies

RWM's methods of analysis include charting analysis, fundamental analysis, and technical analysis.

Charting analysis involves the use of patterns in performance charts. RWM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

RWM uses long term trading, short term trading, short sales, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Material Risks Involved

Charting analysis strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Risks of Specific Securities Utilized

RWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Voting Client Proxies

RWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 7: Client Information Provided to Portfolio Managers

William E. Riley is the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by William E. Riley. As that information changes and is updated, William E. Riley will have immediate access to that information once collected.

Item 8: Client Contact with Portfolio Managers

RWM places no restrictions on client ability to contact its portfolio managers. William E. Riley can be contacted during regular business hours and their contact information is on the cover page of their ADV 2B supplement brochure documents.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-regulatory Organization (SR) Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

William Eugene Riley and Britta Ilene Horigan are registered representatives. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. RWM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of RWM in their capacity as registered representatives.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither RWM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

William Eugene Riley and Britta Ilene Horigan are licensed insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. RWM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of RWM in their capacity as an insurance agent.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

RWM will direct clients to third party money managers. RWM will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between RWM and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that RWM has an incentive to direct clients to the third party money managers that provide RWM with a larger fee split. RWM will always act in the best interests of the client, including when determining which third party manager to recommend to clients.

B. Code of Ethics, Client Referrals and Financial Information

Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of RWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of RWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. RWM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by William Eugene Riley, CEO. William Eugene Riley is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at RWM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by William Eugene Riley, CEO. There is only one level of review and that is the total review conducted to create the financial plan.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least monthly a written report detailing the clients account which will come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

***Economic Benefits Provided by Third Parties for Advice Rendered to Clients
(Includes Sales Awards or Other Prizes)***

RWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to RWM clients.

Compensation to Non – Advisory Personnel for Client Referrals

RWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Balance Sheet

RWM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither RWM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

RWM has not been the subject of a bankruptcy petition in the last ten years.