



**COVER PAGE FOR
PART 2A OF FORM ADV**

FIRM BROCHURE

March 18, 2013

**STRATEGIC WEALTH PLANNING
14900 LANDMARK BLVD., SUITE 460
DALLAS, TX 75254**

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FIRM WEBSITE: WWW.AWEALTHPLAN.COM

This brochure provides information about the qualifications and business practices of Strategic Wealth Planning. If you have any questions about the contents of this brochure, please contact by telephone at (214) 727-6000, (214) 394-7827 or email at sjblum@awealthplan.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 Strategic Wealth Planning 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 an IARD/CRD number. The IARD/CRD number for Strategic Wealth Planning is 149134.

Please note that the use of the term "registered investment adviser" and description of Strategic Wealth Planning and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

ITEM 2. MATERIAL CHANGES TO OUR PART 2A OF
FORM ADV: FIRM BROCHURE

Strategic Wealth Planning is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure.

The date of our last Firm Brochure was February 17, 2012.

At this time, there are no material changes to report about our Brochure except as follows:

A. On March 1, 2013, our firm's suite number will change. Our new address on this date will be: Suite 460, 14900 Landmark Blvd., Dallas, TX 75254.

B. Item 8 has been expanded to include more information.

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Item 4. Advisory Business

Strategic Wealth Planning specializes in the following types of services: Asset Management, Financial Planning and Consulting, Pension Consulting, Referrals to Third Party Money Managers, Annual Retainer Program, and Strategic Wealth Planning Managed Account Program. Our assets under management are \$94,000,000.00 as of December 31, 2012.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s)¹.

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a Partnership in the State of Texas. Our firm has been in business as an investment adviser since 2009 and is owned by Blum Management Group, Inc. and Stephen J. Blum.

B. Description of the types of advisory services we offer.

(i) Asset Management:

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds (“ETFs”), options, mutual funds and other public and private securities or investments. The client’s individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client’s circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least weekly, and if necessary, rebalance the portfolio based upon the client’s individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

We may utilize Independent Third Party Money Managers, where we may design an investment portfolio and provide ongoing corresponding asset management services on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered.

(ii) Pension Consulting:

We provide pension consulting services to employer plan sponsors on a one-time or ongoing basis. Generally, such pension consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

¹ Please note that: (1) For purposes of this item, our principal owners include the *persons* we list as owning 25% or more of our firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If we are a publicly held company without a 25% shareholder, we simply need to disclose that we are publicly held. (3) If an individual or company owns 25% or more of our firm through subsidiaries, we must identify the individual or parent company and intermediate subsidiaries. If we are a state-registered adviser, on Form ADV Part 2A Page 2, we must identify all intermediate subsidiaries. If we are an SEC-registered adviser, we must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries.

All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

(iii) Financial Planning and Consulting:

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the process is less formal than our planning service. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

(iv) Referrals to Third Party Money Managers:

If appropriate for our clients, we select investment advisory services of third party professional portfolio management firms for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third party money manager. We provide initial due diligence on third party money managers and ongoing reviews of their management of your account.

In order to assist clients in the selection of a third party money manager, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that when we hire these managers we do not offer advice on any specific securities or other investments in connection with this service. When hired, investment advice and trading of securities is offered by or through the third party money managers to clients.

We periodically review third party money managers' reports provided to the client, but no less often than on an annual basis. Our associates contact the clients from time to time, as agreed to with the client, in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. The client will be expected to notify us of any changes in his/her financial situation,

investment objectives, or account restrictions that could affect their account. The client may also directly contact the third party money manager managing the account or sponsoring the program.

(v) Annual Retainer Program

We offer ongoing planning services to our clients on an annual basis. Some of our clients may select this service following the completion and presentation of the initial financial plan, while some clients may wish to contract our firm on an annual basis at the inception of the advisory relationship.

As part of this program, we will generally establish a regular planning cycle to work with our client in managing specific aspects of the overall estate and financial plan. In conjunction with ongoing planning and consulting services, our firm may meet with the client's other professional advisers (financial, legal, real estate, tax, etc.) for a series of information gathering and/or implementation meetings. Our firm will act as a project manager to coordinate the work of the appropriate parties in a manner consistent with our client's long-term desired outcome. As the client's financial situation, goals, objectives, or needs change, the client must notify our firm promptly.

(vi) Strategic Wealth Planning Managed Account Program

Our firm offers a Managed Account Program ("MAP") whereby we manage client accounts for a single fee that includes both management services and the transaction costs. MAP is designed to assist clients in assisting their investment needs and to obtain professional asset management for a convenient single "wrap" fee.

We provide discretionary asset management services to our clients. Once the portfolio is constructed, our firm periodically rebalances the portfolio as changes in market conditions and client circumstances may require.

C. Explanation of whether (and, if so, how) we tailor our advisory services to the individual needs of clients, whether clients may impose restrictions on investing in certain securities or types of securities.

(i) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing our Asset Management service offered by our firm. Additionally, we offer general investment advice to clients utilizing the following services offered by our firm: Financial Planning and Consulting, Pension Consulting, Referrals to Third Party Money Managers, Annual Retainer Program, and Strategic Wealth Planning Managed Account Program.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to our Asset Management service. We do not manage assets through our other services.

D. Participation in wrap fee programs. We offer wrap fee programs as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

E. Disclosure of the amount of *client* assets we manage on a *discretionary* basis and the amount of *client* assets we manage on a *non-discretionary* basis as of December 31, 2012.

We manage² \$36,200,000.00 on a discretionary basis and \$57,800,800.00 on a non-discretionary basis as of December 31, 2012.

Item 5. Fees and Compensation

We are required to describe our brokerage, custody, fees and fund expenses so you will know how much you are charged and by whom for our advisory services provided to you. Our fees are generally not negotiable.

A. Description of how we are compensated for our non-wrap advisory services provided to you.

(i) Asset Management:

| <u>Assets under management</u> | <u>Annual Percentage of assets charge*:</u> |
|--------------------------------|---|
| Under \$250,000 | 2.00% |
| \$250,001- \$1,000,000 | 1.50% |
| Over \$1,000,000 | 1.00% |

*Our firm's fees are billed on a pro-rata annualized basis quarterly in advance based on the value of your account on the last day of the previous quarter.

Clients pay Third Party Managers for services rendered by their firms. This compensation is typically equal to a fixed percentage of the overall investments managed by the Third Party Manager. The advisory fee paid to Third Party Money Managers shall be negotiable in certain circumstances, but is usually between 0.25% and 1.5% annually.

(ii) Pension Consulting:

We may charge on a flat fee basis for pension consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our flat fees generally range from \$750.00 to \$10,000.00. Flat fees will be charged annually for ongoing pension consulting services.

(iii) Financial Planning and Consulting:

We charge on a flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you.

²Please note that our method for computing the amount of "*client* assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "*client* assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000.00. Our "as of" date must not be more than three months before the date we last updated our *Brochure* in response to Item 4.E of Form ADV Part 2A

you. Our fees typically range from \$1,500 to \$150,000 for financial advisors. However, the fee may be negotiable based upon the specific services requested, including the complexity and scope of the plan, as well as the client's financial situation and objectives.

(iv) Referrals to Third Party Money Managers:

We are paid by independent third party professional portfolio management firms ("Third Party Money Managers") when we refer you to them and you decide to open a managed account. Third Party Money Managers pay us a portion of the investment advisory fee that they charge you for managing your account. Fees paid to us by Third Party Money Managers are generally ongoing. All fees we receive from Third Party Money Managers and the written separate disclosures made to you regarding these fees comply with applicable state statutes and rules. The separate written disclosures you need to be provided with include a copy of the Third Party Money Manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are paid and a copy of the Third Party Money Manager's privacy policy. The Third Party Money Managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

(v) Annual Retainer Program

Our annual retainer fees typically range between \$1,500 and \$150,000 and are payable quarterly or semi-annually in advance. The agreed upon fee will be established at the beginning of our advisory/client relationship based upon the scope of the work to be performed and the complexity of the client's financial situation. Applicable fees, fee payment arrangements, and the terms of the engagement will be clearly set forth in the client agreement executed between our firm and our client prior to services rendered. The retainer fee will be fixed for a 12-month period; thereafter, the retainer fee may be adjusted based on the scope and complexity of the engagement.

Our client may terminate the annual retainer agreement within five business days after the date when all parties have signed the agreement without penalty. After this five-day period either party may terminate the agreement upon 30 days written notice to the other. The retainer fee will be pro-rated for the period in which the cancellation notice was given and any unearned fees will be returned to the client.

(vi) Strategic Wealth Planning Managed Account Program

| <u>Portfolio Size</u> | <u>Annualized Fee</u> |
|---------------------------|-----------------------|
| \$0 - \$50,000 | 2.00% |
| \$50,001 - \$100,000 | 1.85% |
| \$100,001 - \$250,000 | 1.70% |
| \$250,001 - \$500,000 | 1.60% |
| \$500,001 - \$750,000 | 1.50% |
| \$750,001 - \$1,000,000 | 1.35% |
| \$1,000,001 - \$2,000,000 | 1.20% |
| \$2,000,001 - \$3,500,000 | 1.10% |
| \$3,500,001 - \$5,000,000 | 1.05% |
| \$5,000,001 and up | 1.00% |

Either party may terminate the MAP services agreement within five days of the date of acceptance without penalty. Thereafter, either party may terminate the MAP services agreement by providing 30 days written notice to the other party. In the event the agreement is terminated, the fees will be pro-rated and any pre-paid, unearned fees will be promptly refunded.

B. Description of whether we deduct fees from *clients*' assets or bill *clients* for fees incurred.

(i) Asset Management:

Fees will generally be automatically deducted from your managed account*. As part of this process, you understand and acknowledge the following:

- a) Your independent custodian sends statements at least quarterly to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) You provide authorization permitting us to be directly paid by these terms;
- c) If we send a copy of our invoice to you, we send a copy of our invoice to the independent custodian at the same time we send the invoice to you;
- d) If we send a copy of our invoice to you, our invoice includes a legend as required by paragraph (a) (2) of Rule 206(4)-2 under the Investment Advisers Act of 1940. The legend urges the client to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements sent to the client for whom the adviser opens custodial accounts with the qualified custodian.

*In rare cases, we will agree to directly bill clients.

(ii) Pension Consulting:

The fee-paying arrangements for pension consulting service will be determined on a case-by-case basis and will be detailed in the signed Pension Consulting Agreement. The client will be invoiced directly for the fees.

(iii) Financial Planning and Consulting:

We require a retainer of fifty-percent (50%) of the financial planning or consulting fee with the remainder due upon completion of the initial services or six (6) months after the start of the planning agreement, whichever is earlier. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

(iv) Referrals to third party money managers:

Third party money managers establish and maintain their own separate billing processes which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

C. Description of any other types of fees or expenses *clients* may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Non-Wrap fee Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our separate Wrap Fee Program Brochure.

D. Client’s advisory fees are due quarterly in advance.

We charge our advisory fees quarterly in advance. In the event that you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

E. Commissionable securities sales.

We do not sell securities for a commission. In order to sell securities for a commission, we would need to have our associated persons registered with a broker-dealer. Our advisors are registered with Purshe Kaplan Sterling Investments.

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

We do not charge performance fees to our clients. We make investment decisions for our clients based on their respective investment objectives, guidelines, restrictions, risk profiles, tax status and other relevant considerations. As a result of client differences, we may purchase or sell securities and/or investments at the same or at different times for some clients but not for others.

Item 7. Types of Clients and Account Requirements

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, limited liability companies and/or other business types

Our requirements for opening and maintaining accounts or otherwise engaging us:

- We require a minimum account balance of \$100,000 for our Asset Management service. However, in our discretion, we may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee and/or for meeting the previously stated account minimum. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of the client’s relationship with our firm.
- We generally charge a minimum fee of \$1,500 for written financial plans.

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

A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

We use a variety of methods of analysis and investment strategies. Our analysis may include but is not limited to, fundamental analysis of a company's financials, charting and technical analysis of market activity. Within each method of analysis, our advisers may employ a variety of timing outlooks, including long-term strategic, intermediate cyclical or short-term tactical.

Please note: Regardless of the method of analysis and investment strategy, investing in securities involves risk of loss that *clients* should be prepared to bear. All securities are subject to risk, and there is no assurance that any investment program or strategy will be successful. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

B. For each significant investment strategy or method of analysis, we must explain the material risks involved.

- Equity strategies (including investing in individual companies, equity mutual funds or ETFs) involve investments in common stocks and are subject to the volatility and individual risks associated with those stocks.
- Real estate investment trusts or funds are subject to risks of the specific commercial or housing market in which the assets are invested, as well as interest rate risk.
- Small Cap and Emerging Market securities tend to be more volatile relative to the overall market.
- Bonds may guarantee return of principal if held to maturity but any guarantee remains subject to the credit worthiness of the guarantor and, prior to maturity, the bond remains subject to interest rate, inflation and credit risk.
- Bond funds of all types are subject to the various risks of the underlying fixed income instruments in the fund, and there is no fixed maturity date.
- High Yield bonds expose the investor to investments in lower credit quality securities, and hence, risk of higher volatility.
- Tax-Exempt bonds may or may not provide returns higher than the after-tax returns of taxable bonds, so investors should consider their tax bracket and state of residence.
- International/Global/Foreign securities expose the investor to currency risk and political, social and economic risks of the countries in which the securities are domiciled, in addition to the equity or debt nature of the securities involved.

It is not possible to enumerate all possible risks associated with each of the asset classes and market sectors listed above. Clients should discuss any concerns with their adviser.

Additionally, some financial instruments are sold by prospectus (such as mutual funds, REITs and/or Exchange Traded Funds (ETFs)). While particular funds may be selected by an adviser, clients should read the prospectus carefully to fully understand the various risks, investment objectives, charges/expenses and other information about the fund or company associated with the investment.

Participants in SWP wrap fee program do not pay additional charges based on the frequency of trading in their account. However, the client should understand that higher-frequency trading strategies may increase the likelihood that tax consequences may be short-term in nature and result in a higher tax cost and hence, lower net performance.

Cash balances. We generally invest client's cash balances in money market funds, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial

cash balance will be maintained in a money market account so that our firm may debit advisory fees for our services related to asset management service, as applicable.

Item 9. Disciplinary Information

We are required to disclose whether there are 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. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a *management person* has been involved in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the *management person's* favor, or was reversed, suspended or vacated, or (2) the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events, which need to be disclosed. If our advisory firm or a *management person* has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a *client's* or prospective *client's* evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a *client's* or prospective *client's* evaluation of our firm or management.

Our firm and management have nothing to disclose under this item.

Item 10. Other Financial Industry Activities and Affiliations

A. Our firm or our management persons are registered as a broker-dealer or as a registered representative of a broker-dealer. The details are as follows:

Stephen J. Blum is a registered representative with Purshe Kaplan Sterling Investments, Inc. ("PKS"), a registered broker-dealer and Member FINRA/SIPC. In order to comply with FINRA Conduct Rule 3040, PKS, as an unaffiliated broker-dealer, may periodically review the investment activity of its advisors. This information will be viewed by PKS' compliance department personnel for supervisory purposes only. No information viewed will be utilized for purposes of solicitation or shared with any affiliation outside the scope of regulatory compliance.

B. If our firm or any of our management persons are registered or have an application pending to register as a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities, disclose that fact.

We have nothing to disclose under this paragraph.

C. Description of any relationship or arrangement that is material to our advisory business or to our *clients* that we or any of our *management persons* have with any *related person*³ is listed below. We are required

³ Our **Related Persons** are any *advisory affiliates* and any *person* that is under common *control* with our firm. **Advisory Affiliate:** Our advisory affiliates are (1) all of our officers, partners, or directors (or any *person* performing similar functions); (2) all *persons* directly or indirectly *controlling* or *controlled* by us; and (3) all of our current *employees* (other than *employees* performing only clerical, administrative, support or similar functions).

to identify the *related person* and if the relationship or arrangement creates a material conflict of interest with *clients*, describe the nature of the conflict and how we address it.

Our firm or our management persons have a material relationship with the following *related person(s)* as follows:

Insurance Agency

Our firm is a licensed insurance agency whereby its agents can offer life, health, and long-term care insurance products, among others, from a variety of product sponsors. Our firm, including Mr. Blum, who is licensed as an insurance agent, can effect transactions in insurance products for its clients and earn commissions for these activities. We expect that clients to whom we offer advisory services may also be clients for whom our firm acts as an insurance agency. Clients are instructed that the fees paid to our firm for advisory services are separate and distinct from the commissions earned for placing the client in insurance products. Clients to whom our firm offers advisory services are informed that they are under no obligation to use our firm or its IARs for insurance services and may use any insurance brokerage firm and agent they choose.

D. If we recommend or select other investment advisers for our *clients* and we receive compensation directly or indirectly from those advisers, or we have other business relationships with those advisers, we are required to describe these practices and discuss the conflicts of interest these practices create and how we address them.

Please see Item 4B (iv) of this Brochure.

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

A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any *client* or prospective *client* upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts⁴. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle

Person: A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization.

⁴ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

B. If our firm or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that our firm or a related person recommends to clients, we are required to describe our practice and discuss the conflicts of interest this presents and generally how we address the conflicts that arise in connection with personal trading.

See Item 11A of this Brochure.

C. If our firm or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this Brochure.

Item 12. Brokerage Practices

A. Description of the factors that we consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If we receive research or other products or services other than execution from a broker-dealer or a third party in connection with *client* securities transactions ("soft dollar benefits"), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Our firm has an arrangement with Fidelity Brokerage Services LLC ("Fidelity") which provides our firm with Fidelity's "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support our firm in conducting business and in serving the best interests of our clients but that may benefit our firm.

a. Explanation of when we use *client* brokerage commissions (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products or services.

As part of the arrangement described in Item 12A1, Fidelity also makes certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Fidelity to our firm may include research reports on recommendations or other information about, particular companies or

industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Fidelity to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

b. Incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our *clients*' interest in receiving best execution.

As a result of receiving the services discussed in 12A (1)a of this Firm Brochure for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

c. Causing *clients* to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up).

Our non-wrap fee program clients may pay a commission to Fidelity that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is 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 broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

d. Disclosure of whether we use soft dollar benefits to service all of our *clients*' accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to *client* accounts proportionately to the soft dollar credits the accounts generate.

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

e. Description of the types of products and services our firm or any of our related persons acquired with client brokerage commissions (or markups or markdowns) within our last fiscal year.

We do not acquire products or services with client brokerage commissions (or markups or markdowns).

f. Explanation of the procedures we used during our last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits we received.

We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

2. Brokerage for Client Referrals. If we consider, in selecting or recommending broker-dealers, whether our firm or a related person receives client referrals from a broker-dealer or third party, we are required to disclose this practice and discuss the conflicts of interest it create.

Our firm does not receive brokerage for client referrals.

3. Directed Brokerage.

a. If we routinely recommend, request or require that a client directs us to execute transactions through a specified broker-dealer, we are required to describe our practice or policy. Further, we must explain that not all advisers require their clients to direct brokerage. If our firm and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to describe the relationship and discuss the conflicts of interest it presents by explaining that through the direction of brokerage we may be unable to achieve best execution of client transactions, and that this practice may cost our clients more money.

In certain instances, clients may seek to limit or restrict our discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. Any such client direction must be in writing (often through our advisory agreement), and may contain a representation from the client that the arrangement is permissible under its governing laws and documents, if this is relevant.

We provide appropriate disclosure in writing to clients who direct trades to particular brokers, that with respect to their directed trades, they will be treated as if they have retained the investment discretion that we otherwise would have in selecting brokers to effect transactions and in negotiating commissions but that such direction may adversely affect our ability to obtain best price and execution. In addition, we will inform you in writing that your trade orders may not be aggregated with other clients' orders and that direction of brokerage may hinder best execution.

b. If we permit a client to direct brokerage, we are required to describe our practice. If applicable, we must also explain that we may be unable to achieve best execution of your transactions. Directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices on transactions.

Please refer to Item 12A(3) of this Brochure for this information.

Special Considerations for Sub-advisory Management Clients

We select brokers and dealers for any purchase or sale of assets of Client Accounts and are responsible for obtaining best execution for transactions. Consistent with this idea, we may, in the allocation of portfolio brokerage business and the payment of brokerage commissions, consider the brokerage and research services furnished the Sub-Adviser by brokers and dealers, in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended. Such research generally will be used to service all of our clients, but brokerage commissions paid by the Client Accounts may be used to pay for research that is not used in managing the Client Accounts. Should a Client direct in writing that the Adviser or our

firm use a particular broker or dealer, then such Client will negotiate terms and arrangements for their Account with that broker or dealer and we will not seek better execution services or prices from other broker-dealers. As a result, such Client Account may pay higher commissions or greater spreads, or receive less favorable net prices, on transactions for the Client Account than would otherwise be the case.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

NOTE: Advisers and our firm are not responsible or liable for the acts or omissions of any broker-dealer.

B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are effected only when we believe that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13. Review of Accounts or Financial Plans

A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

We review accounts on at least a weekly basis for our clients subscribing to the following services: Managed Account Program ("MAP"). MAP clients receive written reviews on at least a quarterly basis. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

We review the accounts of our pension consulting clients at least quarterly for the duration of our pension consulting services. We also provide ongoing services to pension account clients where we meet with such clients upon their request, or as we determine, to discuss updates to their plans, changes in their circumstances, etc. The nature of our review is to learn whether our pension accounts are in line with investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

We provide financial planning clients with a review of their written plans according to their agreement with us, and we are available to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

Only our Financial Advisors or Portfolio Managers will conduct reviews.

B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described in Item 13A. Among the factors which may trigger a review are major market or economic events, the client's life events, requests by the client, etc.

C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

We and/or third party money managers provide written financial reports regarding client investments at least quarterly to our clients who subscribe to our Asset Management and/or third party money manager services. Verbal reports to clients take place on at least an annual basis when we meet with clients who subscribe to the following services: Financial Planning, Asset Management and Third Party Money Management. We are always available to discuss any client report or account upon request.

We do not provide pension clients with written or verbal updated reports unless they choose to contract with us for Pension Consulting services. Pension client account reports are prepared and provided by third party money managers.

Financial planning clients receive an initial written report and updated written or verbal reports regarding their financial plans as set forth in their agreement with us.

Item 14. Client Referrals and Other Compensation

A. If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

Except for the arrangements outlined in Item 12 of this brochure, we have no additional arrangements to disclose.

B. If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940

Item 15. Custody

A. If we have custody of client funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our clients, we must disclose that we have custody and explain the risks that you will face because of this.

We do not have custody of client funds. All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

B. If we have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to our clients, we are required to explain that you will receive account statements from the broker-dealer, bank, or other qualified custodian and that you should carefully review those statements.

We do not have custody of client funds. We encourage clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Item 16. Investment Discretion

If we accept discretionary authority to manage securities accounts on behalf of clients, we are required to disclose this fact and describe any limitations our clients may place on our authority. The following procedures are followed before we assume this authority:

Our clients need to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to our Managed Account Program clients. We do not take or exercise discretion with respect to all of our clients' accounts.

Item 17. Voting Client Securities

If we have, or will accept, proxy authority to vote client securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Item 18. Financial Information

A. If we require or solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance, we must include a balance sheet for our most recent fiscal year.

We do not require nor do we solicit prepayment of more than \$1,200.00 in fees per client, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

B. If we are an SEC-registered adviser and have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have nothing to disclose in this regard.

C. If we have been the subject of a bankruptcy petition at any time during the past ten years, we must disclose this fact, the date the petition was first brought, and the current status.

We have nothing to disclose in this regard.