

February 4, 2013

**Disclosure Brochure**

(Part 2A of Form ADV)

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This Disclosure Brochure provides information about the qualifications and business practices of Congress Wealth Management, LLC. If you have any questions about the contents of this Disclosure Brochure, please contact us at: (617) 428-7600, or by email at: [compliance@congresswealth.com](mailto:compliance@congresswealth.com). The information in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Congress Wealth Management, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# Material Changes

## Annual Update

The Material Changes section of this Disclosure Brochure will be updated annually or when material changes occur since the previous released version.

## Material Changes since the Last Update

Types of Advisory Services and Pricing – This section was updated to detail Congress Wealth Management's Portfolio Strategy & Construction Services, which are provided to organizations that have a fiduciary obligation to oversee large pools of capital on behalf of others. Details of the services are provided on Page 2 and pricing on Page 4.

The Advisor reviews and updates its brochure at least annually to make sure that it remains current.

## Full Brochure Available

Whenever you would like to receive a complete copy of our Disclosure Brochure, please contact us by telephone at: (617) 428-7600 or by email at: [compliance@congresswealth.com](mailto:compliance@congresswealth.com).

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# **Advisory Business**

## **Firm Description**

Congress Wealth Management LLC (herein the “Advisor”) was established in 2009 as an independent registered investment advisor.

The Advisor offers personalized investment management services to high net worth individuals and families, trusts, estates, charitable organizations, pension and profit sharing plans, other investment advisors, corporations, and other business entities (each, a “Client”). The Advisor also offers personalized, independent wealth management and financial planning services, which are intended to provide a comprehensive view of the Client’s entire financial situation.

The Advisor is a manager of other managers. The Advisor works closely with Congress Asset Management Company, LLP, as a Core manager to provide Clients with access to core investments comprised of U.S. stocks, U.S. fixed income and developed market international equities. The Advisor primarily uses Congress Asset Management Company, LLP as the Core manager, although other investment managers may be chosen if more appropriate. The core investments provide Clients a broad foundation for their portfolios.

The Advisor then complements this Core relationship by its partnerships with a variety of world-class Satellite investment managers, offering the potential of higher levels of active alpha and exotic beta if appropriate based on a Client’s investment objective. Satellite investments include REITs, commodities, high yield bonds and emerging markets.

## **Principal Owners**

The Advisor is organized as a Massachusetts limited liability company. The principal owners of the Advisor are Harborview Partners 2012, LLC and Lagan Wildwood Investments LLC.

Paul A. Lonergan, the President and Chief Compliance Officer of the Advisor, Kenneth R. Zannoni, the Managing Director of the Advisor, Peter C. Andersen, the Chief Investment Officer of the Advisor, and Richard J. Villiotte, the Chief Operating Officer of the Advisor are members of Harborview Partners 2012, LLC, a Delaware limited liability company. Details of the ownership are provided on ADV Part 1.

## **Types of Advisory Services**

The Advisor provides investment supervisory services, also known as asset management services. This means that the Advisor provides its Clients with regular and continuous investment advice, which is particularly tailored to that Client’s investment needs.

On more than an occasional basis, the Advisor furnishes advice to Clients on matters not involving securities. It is the Advisor’s objective to provide its Clients with a comprehensive view of their financial picture, considering and advising on all aspects of the Client’s financial situation.

As of December 31, 2012, the Advisor managed approximately \$710,164,021 in assets for approximately 855 Client accounts, all of which were managed on a discretionary basis.

### **Tailored Relationships**

The goals and objectives for each Client are documented in our performance reporting system. Investment guideline statements are created that reflect the stated goals and objective.

Clients may impose reasonable restrictions on investing in certain securities or types of securities. Reasonable restrictions may include 1) a restriction on the purchase of a particular security or types of securities, or 2) a restriction on the purchase of a group of securities that are classified by the Client to be in a particular industry, e.g., socially responsible industry groups. Other proposed restrictions are analyzed on a case-by-case basis. If any security that would normally be purchased for an account employing a particular investment style is restricted and therefore, cannot be purchased for the account, the portion of the account that would have been invested in such security will ordinarily be held as cash or cash equivalents.

### **Types of Agreements**

The following agreements define the typical Client relationships.

Agreements may not be assigned without Client consent. Transactions that do not result in a change of actual control or management of the Advisor shall not be considered an assignment.

### **Investment Management Services**

The Advisor is a manager of other investment managers. The Advisor reviews a Client's time horizon, objectives, tax situation, income and liquidity needs and will recommend an asset allocation mix and portfolio based on such criteria. Based on the suggested allocation, the Advisor will recommend certain investment manager(s) to the Client.

The Client will enter into an investment management agreement with the Advisor that grants the Advisor the discretion to retain one or more third-party investment management firms on the Client's behalf. The investment management firms will invest Client's assets in accordance with Client's objectives, subject to any restrictions provided by Client to the Advisor.

As discussed more fully below in "Methods of Analysis and Investment Strategies," the Advisor may utilize Congress Asset Management Company, LLP, as a third-party investment manager.

The Advisor reviews each investment manager initially prior to selecting such investment manager to provide services to any Client, and again at least annually, to ensure that such manager continues to be capable of providing services to Clients. Such review may include a review of: assets under management; performance history; types of portfolios offered (strategies, methods of analysis and sources of information); portfolio management tenure; fees and expenses; risk versus return profile; portfolio turnover; account minimum; and disciplinary history.

If the Advisor believes an investment manager is no longer suited to provide services to a Client, the Advisor has the authority under the investment management agreement to terminate and replace such investment manager.

The Advisor will distribute to Clients copies of the Form ADV Part II for each investment manager managing a portion of the Client's assets so that the Client may see additional details regarding the investment strategy and fees payable to such investment manager.

Client accounts may be rebalanced or reallocated at least annually based on the Client's portfolio's performance, changing financial circumstances and any other relevant factors.

Although the Investment Management Agreement is a continuing agreement, the length of service to the Client is at the Client's discretion. The Client or the Advisor may terminate an Agreement by written notice to the other party.

### **Wealth Management, Financial Planning Services and Advisory Services**

The Advisor also provides financial advisory planning services to individuals. These services may include comprehensive financial planning, fact-finding, goal setting, estate tax strategies, wealth distribution and plan implementation services. Planning services may be summarized by a written plan for a Client, which reflects such Client's current financial circumstances, financial outlook and personal objectives. A separate financial planning services contract is executed with each client using this service. Implementation of the recommendations is at the discretion of the Client.

Since financial planning is a discovery process, situations occur wherein the Client is unaware of certain financial exposures or predicaments. In the event that the Client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The Client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

### **Investment Management**

Assets are invested primarily in stocks, bonds, mutual funds, exchange traded funds and pooled investment vehicles. Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. No-load mutual funds and exchange-traded funds are usually purchased through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds. The Advisor does not receive any compensation, in any form, from fund companies.

Investments may also include warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities and U.S. government securities. The Advisor may also provide advice on any type of investment held in a Client's portfolio at the inception of the advisory relationship or on any investment on which the Client requests advice.



## **Termination of Agreement**

Client may terminate their agreement with the Advisor within five (5) business days of signing their agreement without incurring any advisory fees. Furthermore, Client or the Advisor may terminate their agreement at any time and for any reason, upon thirty (30) days written notice to the other party.

Upon notice of termination, the Advisor will await further instructions from Client as to what steps Client requests to liquidate and / or transfer the portfolio and remit the proceeds. Upon instructions received, the Advisor will instruct brokers, dealers, mutual fund sponsors and others to liquidate and / or transfer the portfolio and remit proceeds to Client. Client will be invoiced for any investment management fees earned by the Advisor prior to termination.

The Advisor can make no representation regarding puts, holds or other investment features that may limit a Client's ability to liquidate or transfer all or a portion of his / her portfolio.

With respect to financial planning services, a pro rata portion of the retainer paid by the Client will be refunded in the event a Client terminated the Advisor before completion of the financial planning services, which generally takes less than six (6) months. A client may rescind the financial planning agreement within five (5) business days of execution and any deposit is refundable.

## **Fees and Compensation**

### **Description**

The Advisor bases its fees on a percentage of assets under management, hourly charges, and occasionally fixed fees.

Fees payable to the Advisor for Investment Management services will range between 50 basis points and 90 basis points (annualized) multiplied by the total assets managed by the Advisor. Certain existing Clients may have different contractual fee arrangements. The Advisor may offer a different fee schedule depending on the Client's circumstances (such as account size, relationship to other accounts, and strategy and managers employed, etc.). Certain existing Clients may have different contractual fee arrangements.

Fees payable to the Advisor for Portfolio Strategy & Construction Services will range between 15 basis point and 25 basis points (annualized) multiplied by the total assets advised by the Advisor. A negotiated flat fee may also be offered for larger relationships or services that cover an advisor's full book of business. Portfolio Strategy & Construction Services are provided exclusively to organizations that have a fiduciary obligation to oversee large pools of capital on behalf of others (including but not limited to other Registered Investment Advisors). Fees for Portfolio Strategy & Construction Services would not apply to Individual clients who utilize the Firm's Investment Management Services.

In general, investment advisory fees are non-negotiable. The Advisor reserves the right to negotiate fees with Clients that differ from the fee schedules set forth above

and may charge fees at a rate higher or lower than the fee schedules based on the level and character of the services provided. The Advisor reserves the right in its sole discretion to waive its fees with respect to any Client.

### **Fee Billing**

Investment management fees are billed quarterly, in arrears, meaning that the Advisor invoices Clients after the three-month billing period has occurred. Payment in full is expected upon invoice presentation. Fees are based upon the market value of the assets on the last day of the previous quarter. Fees are usually deducted from a designated client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account.

The fee for Wealth Management and Financial Planning Services is invoiced on a quarterly basis and is payable upon receipt.

### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, exchange-traded funds, stocks and bonds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Clients are advised that all fees paid to the Advisor are separate and distinct from the fees and expenses charged by such funds to their shareholders. These fees will generally include a management fee and other fund expenses. Certain funds recommended by the Advisor may be sponsored by Congress Asset Management Company, LLP, whose owners have a minority interest in the Advisor. There may also be transaction charges involved with purchasing or selling of securities. The Advisor does not share in any portion of the brokerage fees/transaction charges imposed by the custodian holding the Client funds or securities. The Client should review all fees charged by funds, the Advisor, and others to fully understand the total amount of fees to be paid by the Client.

Clients are advised that when securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and / or tax ramifications.

### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These mutual fund fees are in addition to the fees paid by the Client to the Advisor.

## **Past Due Accounts and Termination of Agreement**

The Advisor reserves the right to stop work on any account that is more than 90 days overdue. In addition, the Advisor reserves the right to terminate any financial planning engagement where a Client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Advisor's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 90 days.

## **Performance-Based Fees**

### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

The Advisor does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the Client.

## **Types of Clients**

### **Description**

The Advisor offers personalized investment management services to high net worth individuals and families, trusts, estates, charitable organizations, pension and profit sharing plans, corporations, and other business entities. The Advisor serves as a manager of managers.

Client relationships vary in scope and length of service.

### **Account Minimums**

Generally, Clients wishing to hire the Advisor should have at least \$1 million in investable assets, but such minimum may be waived by the Advisor, depending on various facts including, but not limited to, long-standing relationships, anticipated Client additions to assets under management, and the strategy and investment managers utilized.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Methods of Analysis and Investment Strategies**

The Advisor works closely with Clients to determine their investment goals and levels of risk tolerance. The Advisor's basic investment philosophy is rooted in the belief that long-term returns are determined primarily by asset allocation. For each Client, the Advisor will construct an asset allocation designed to meet

the Client's time horizon, risk tolerance and objectives. The Advisor will then implement such asset allocation through the hiring of third party investment managers.

The Advisor uses a Core and Satellite approach to investment management. This approach allows Clients to

- Separate and manage various sources of portfolio risk to improve portfolio structure and efficiency;
- Add return generating opportunities and / or volatility-reducing asset classes to a portfolio; and
- Increase the likelihood of meeting their specific financial goals.

Core strategies provide efficient exposure to asset classes that are broadly representative of the market (much of this market representation comes in the form of equity and interest rate risk). While implementation strategies vary, the Advisor believes that a combination of active, structured or passive strategies provide a solid core for most investors.

The Advisor may recommend Congress Asset Management Company, LLP, as a Client's Core investment manager.

Satellite strategies generally deliver higher levels of active alpha (returns derived from skilled active management) or exotic beta (exposure to risk factors with low correlation to global markets) and can enhance expected returns. Examples include REITS, commodities, high yield bonds and emerging markets securities.

Capital markets are monitored on a continuous basis through Morningstar, Moody's and/or other similar research services. The investment managers are monitored as described above. Further, the Advisor monitors the performance of the Clients' accounts. The Advisor periodically contacts the investment managers regarding their performance and for analysis of significant events as they relate to their investment strategies and influence their investment decisions. The Advisor may also visit the offices of the investment managers to review their activities. If significant changes occur in an investment manager's approach or investments, an investment manager's participation in a Client's portfolio may be reduced or withdrawn.

## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

### **Legal and Disciplinary**

The Advisor and its employees have not been involved in legal or disciplinary events related to past or present investment Clients.

## **Other Financial Industry Activities and Affiliations**

### **Financial Industry Activities and Affiliations**

Lagan Wildwood Investments LLC, a minority owner in the Advisor, is wholly-owned by Lagan Holding Company ("Lagan Holding Co."), a Massachusetts business trust. Lagan Holding Co. is a general partner of Congress Asset Management Company, LLP, an investment adviser registered with the Securities and Exchange Commission (CRD No. 105161; SEC No. 801-23386). The Advisor may recommend or engage Congress Asset Management Company, LLP to manage all or a portion of a Client's investment portfolio. Certain investment advisory representatives or employees of the Advisor may also be associated with Congress Asset Management Company, LLP.

**Financial Industry Activities and Affiliations - continued**

Paul A. Loneragan also serves as the Managing Director of Sales for Congress Asset Management Company, LLP. Mr. Loneragan spends approximately 25% of normal business hours with matters relating to this business activity.

Peter C. Anderson also serves as an SVP and Portfolio Manager for Congress Asset Management Company, LLP. Mr. Anderson spends approximately 50% of normal business hours with matters relating to this business activity.

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

The Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

The Advisor emphasizes the unrestricted right of the Client to specify investment objectives, guidelines, and/or conditions on the overall management of their account.

Associated persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by reason of the associated person's employment, unless the information is also available to the public.

No associated person of the Advisor shall prefer his or her own interest to that of the advisory Client. Investment opportunities must be offered first to Clients before the Advisor or associated persons may participate in such transactions.

The Advisor and its associated persons generally may not purchase and sell securities being considered for, or held by Client accounts without pre-clearance from the Chief Compliance Officer.

The Advisor and its employees generally may not participate in private placements or initial public offerings (IPOs) without pre-clearance from the Advisor's Chief Compliance Officer.

The Advisor requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

Records will be maintained of all securities bought or sold by the Advisor, associated persons of the Advisor, and related entities. A qualified representative of the Advisor will review these records on a regular basis.

Any individual not in observance of the above may be subject to disciplinary action, including termination.

The full text of the Advisor's Code of Ethics is available to Clients upon request.

## **Participation or Interest in Client Transactions**

The Advisor or individuals associated with the Advisor may buy or sell - for their personal account(s) - investment products identical to those recommended to Clients. It is the expressed policy of the Advisor that no person employed by the Advisor may purchase or sell any security prior to transactions implemented for an advisory account, therefore preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

The Advisor or the investment managers may recommend or use their discretion to effect a purchase or sale in securities of companies for which the Advisor, the investment managers or their affiliates may act as a sponsor, adviser or investment manager, including Congress Large Cap Growth Fund, a mutual fund which is advised by Congress Asset Management Company, LLP, an affiliate of the Advisor. In addition, the Advisor or the investment managers may also recommend or use their discretion to effect a transaction in securities of companies (or securities of affiliates of such companies) in which the Advisor, the investment managers or their affiliates or their personnel may have an ownership or management interest. In connection with such transactions, the Advisor and, when applicable, the investment managers will also receive an advisory fee in its capacity as investment adviser or investment manager.

## **Brokerage Practices**

### **Selecting Brokerage Firms and Custodians**

The Advisor does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. The Advisor recommends custodians based on the proven integrity and financial responsibility as well as the best execution of orders at reasonable commission rates.

### **Best Execution**

The Advisor reviews the execution of trades at the custodian on at least a quarterly basis. The review requirements are documented in the Advisor's Compliance Manual. Trading fees charged by the custodian is also reviewed on a quarterly basis. The Advisor does not receive any portion of the trading fees.

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 among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while the Advisor will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for Client transactions.

## **Order Aggregation**

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any Client benefit.

Transactions for each Client generally will be effected independently, unless the Advisor decides to purchase or sell the same securities for several Clients at approximately the same time. The Advisor may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Advisor’s Clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among the Advisor’s Clients pro rata to the purchase and sale orders placed for each Client on any given day. The Advisor will not receive any additional compensation as a result of the aggregation of orders.

## **Review of Accounts**

### **Periodic Reviews**

For those Clients to whom the Advisor provides investment management services, accounts are reviewed at least annually by qualified representatives of the Advisor. All Clients are advised that it remains their responsibility to notify the Advisor of any changes to their investment objectives, time horizons, risk tolerance or financial situation. Arrangements for additional reviews are made on a case-by-case basis at the Client’s request or as circumstances demand.

### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a Client’s own situation.

### **Regular Reports**

Clients receive (from either the Advisor and/or the account custodian) monthly activity statements, quarterly performance reporting and year-end tax reporting. Additionally, depending on the program in which the Client is invested and the custodian selected, Clients may receive monthly activity statements.

## **Client Referrals and Other Compensation**

### **Incoming Referrals**

The Advisor may pay referral fees to independent persons or firms (“Solicitors”) for introducing Clients to the Advisor. Whenever the Advisor pays a referral fee, the Advisor requires the Solicitor to provide the prospective Client with a copy of this document (our Disclosure Brochure) and a separate disclosure statement that includes the following:

- the Solicitor’s name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- that fees to the Advisor do not increase the fees that Clients pay to us.



## **Custodian Referrals**

The Advisor participates in the Fidelity Wealth Advisor Solutions (“WAS”) program, which is a referral program designed to introduce high net-worth investors to independent registered investment advisors. The Advisor receives referrals from Strategic Advisers, Inc. (“SAI”), a registered investment adviser and subsidiary of FMR LLC, the parent company of Fidelity Investments. The Advisor is independent and not affiliated with SAI or FMR LLC. SAI does not supervise or control the Advisor, and SAI has no responsibility or oversight for the Advisor’s provision of investment management or other advisory services.

Under the WAS Program, SAI acts as a solicitor for the Advisor, and the Advisor pays ongoing referral fees to SAI for each referral received based on assets under management by the Advisor attributable to each client referred by SAI or members of each Client’s household. Clients of the Advisor do not pay higher advisory fees as a result of the Advisor’s payments to SAI for referrals. To receive referrals under the WAS Program, the Advisor must meet certain minimum participation criteria. The Advisor was selected for its participation in the WAS Program as a result of its business relationships with affiliates of SAI, including Fidelity Brokerage Services, LLC (“FBS”).

The Advisor’s participation in the WAS program may result in a potential conflict of interest, where the Advisor may have an incentive to recommend that clients custody their assets with affiliates of SAI. Pursuant to the terms of its agreement with SAI, the Advisor has agreed not to solicit Clients to transfer their brokerage accounts away from affiliates of SAI or establish brokerage accounts at other custodians for these referred Clients, unless inconsistent with the Advisor’s fiduciary responsibilities to the Client or by direction of the Client.

## **Referrals Out**

The Advisor does not accept referral fees or any form of remuneration from other professionals when a prospect or Client is referred to the professional.

## **Other Compensation**

The Advisor may participate in programs sponsored by particular broker/dealers or custodians, whereby the Advisor receives investment-related research, pricing information and market data, software and other technology that provides access to Client account data, compliance and/or practice management-related publications, seminars or consulting services, discounted and/or gratis attendance at conferences, meetings, and other events, marketing support, a financial contribution to client entertainment and/or educational seminars, and/or other products used by the Advisor in furtherance of its investment advisory operations. The Advisor’s participation in such programs may raise a potential conflict of interest as the Advisor may, although not required to, execute transactions or maintain assets for Clients through/with such broker/dealers or custodians. Clients will not pay more for investment transactions effected and/or assets maintained at any of these institutions as a result of this arrangement.

## **Custody**

### **Account Statements**

All assets are held at qualified custodian(s), which means the custodians provide account statements directly to clients at their address of record at least quarterly.

### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by the Advisor.

## **Investment Discretion**

### **Discretionary Authority for Trading**

The Client grants the Advisor discretion. The Client may, however, place reasonable limitations on the Advisor's discretion. For example, a Client may specify that the percentage of their overall portfolio to be allocated to any one particular investment manager may not exceed a certain limit.

When the Advisor receives discretionary authority from the Client, it is able to determine the brokers or dealers used to execute transactions in the Client's account. The Advisor often has the authority to negotiate with broker-dealers and/or custodians with respect to the commission rates to be paid by the Client. Brokers may include affiliates of the third-party investment managers selected by the Advisor.

## **Voting Client Securities**

### **Proxy Votes**

Clients are expected to vote their own proxies.

### **Class Actions**

The Advisor does not advise or act for Clients in any legal proceedings, including bankruptcies or class actions, involving securities held or previously held by the Account or the issuers of these securities.

## **Financial Information**

### **Financial Condition**

The Advisor does not have any financial impairment that will preclude the Advisor from meeting contractual commitments to Clients.

A balance sheet is not required to be provided because the Advisor does not serve as a custodian for Client funds or securities, and does not require prepayment of fees of more than \$1,200 per Client, and six months or more in advance.

## **Business Continuity Plan**

### **General**

The Advisor has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

In the event of a natural disaster, such as the loss of electrical power at the principal place of business of the Advisor, the Advisor will use its best efforts to ensure that its clients are timely informed of alternative methods of communicating with members of the Advisor or directly with the Custodian. These communication methods may include the internet, email, voicemail, as well as prior written notification to clients.

## **Information Security Program**

### **Information Security**

The Advisor maintains an information security program to reduce the risk that your personal and confidential information may be breached.

### **Privacy Notice**

The Advisor is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that The Advisor collects from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties. The Advisor will use this information to help you meet your personal financial goals.

With your permission, the Advisor will disclose limited information to attorneys and accountants with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, the Advisor may share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

The Advisor maintains a secure office to ensure that your information is not placed at unreasonable risk. The Advisor employs a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

The Advisor does not provide your personal information to mailing list vendors or solicitors. The Advisor requires strict confidentiality in our agreements with

unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a Client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

The Advisor will notify you in advance if our privacy policy is expected to change. The Advisor is required by law to deliver this Privacy Notice to you annually, in writing.

## **Brochure Supplement (Part 2B of Form ADV)**

### **Education and Business Standards**

The Firm requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Massachusetts law (Section 203A) requires advisers to disclose information on disciplinary history and the registration of the adviser and its associated persons. This information may be obtained via the U.S. Securities and Exchange Commission public disclosure website at <http://adviserinfo.sec.gov>, by phone at (202) 942-8090 or the Massachusetts Securities Division, One Ashburton Place, 17th Floor, Boston, Massachusetts 02108.

### **Professional Certifications**

Employees have earned certifications and credentials that are required to be explained in further detail.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three examination levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Unless one is upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with Clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and Client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their Clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**PAUL A. LONERGAN**

Born 1967

**Educational Background:**

- Bachelor of Arts, Communication, University of Massachusetts Amherst, 1990
- University of Pennsylvania, 1999 - 2000

**Business Experience:**

- President, Congress Wealth Management, LLC (March 2009 - Present)
- President, Congress Trust, N.A. (March 2007 – March 2009)
- Senior Vice President, SEI Investments (March 1997 – March 2007)

**Additional Compensation:** Mr. Lonergan also serves as the Managing Director of Sales for Congress Asset Management Company, LLP and is compensated for this business activity.

**Supervision:**

Mr. Lonergan is the President of the Advisor. His activities are supervised by the Board of Directors of the Advisor. Christopher M. Lagan is a member of the Board and a member of the Investment Oversight Committee of the Advisor. Mr. Lagan's contact information:

Tel. (617) 428-4320

clagan@congressasset.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

**KENNETH R. ZANNONI, CFP**

Born 1974

**Educational Background:**

- Bridgewater State University, 1992 - 1994
- Bachelor's of Science, Finance, University of Massachusetts, 1997

**Business Experience:**

- Senior Vice President, Congress Wealth Management, LLC (March 2009 - Present)
- Senior Vice President, Congress Trust, N.A. (March 2007 – March 2009)
- Vice President, Fidelity Brokerage Services (May 1999 – April 2008)

Additional Compensation: None

**Supervision:**

Mr. Zannoni is supervised by Paul Lonergan, the President of the Advisor. Mr. Lonergan reviews Mr. Zannoni's work through frequent office interactions as well as remote interactions. Mr. Lonergan also reviews Mr. Zannoni's activities through our Client relationship management system. Mr. Lonergan's contact information:

Tel. (617) 428-7600

plonergan@congresswealth.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None



**PETER C. ANDERSEN, CFA**

Born 1954

**Educational Background:**

- Bachelor's of Science, Physics/Math, Northeastern University, 1976
- Master's of Science, Physics, Yale University, 1978
- Master's of Public Administration, Finance, Harvard, 1993

**Business Experience:**

- Senior Vice President, Congress Wealth Management, LLC (March 2009 - Present)
- Senior Vice President, Congress Asset Management Company, LLP (July 2008 – Present)
- Senior Vice President, Dremen Value Asset Management, LLC (October 2006 – July 2008)
- Senior Vice President, Congress Asset Management Company, LLP (October 2003 – October 2006)

**Additional Compensation:**

Mr. Anderson also serves as an SVP and Portfolio Manager for Congress Asset Management Company, LLP and is compensated for this business activity.

**Supervision:**

Mr. Andersen is supervised by Paul Lonergan, the President of the Advisor. Mr. Lonergan reviews Mr. Andersen's work through frequent office interactions as well as remote interactions. Mr. Lonergan also reviews Mr. Andersen's activities through our Client relationship management system. Mr. Lonergan's contact information:

Tel. (617) 428-7600

plonergan@congresswealth.com

**Other Business Activities:**

Mr. Andersen is also associated with Congress Asset Management Company, LLP, an investment adviser registered with the Securities and Exchange Commission (CRD No. 105161; SEC No. 801-23386) and an affiliate of the Advisor. Mr. Andersen is a Chair of the All Cap Opportunity Investment Policy Committee and a member of the Investment Oversight Committee of Congress Asset Management Company, LLP. He manages portfolios for institutional and private clients of Congress Asset Management Company, LLP.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

**BRIAN C. FOLEY, JD, CFP**

Born 1973

**Educational Background:**

- Bachelor's of Arts, History, Stonehill College, 1995
- Juris Doctorate, Boston College Law School, 2004

**Business Experience:**

- Financial Counselor, Congress Wealth Management, LLC (January 2011 - Present)
- Attorney / Financial Planner, Law Offices of Brian C Foley (September 2006 - Present)
- Owner / Financial Planner, BCF Law Group, LLC (September 2006 - Present)
- Financial Counselor, The Colony Group (November 2004 - September 2006)

Additional Compensation: None

**Supervision:**

Mr. Foley is supervised by Paul Lonergan, the President of the Advisor. Mr. Lonergan reviews Mr. Foley's work through frequent office interactions as well as remote interactions. Mr. Lonergan also reviews Mr. Foley's activities through our Client relationship management system. Mr. Lonergan's contact information:

Tel. (617) 428-7600

plonergan@congresswealth.com

**Other Business Activities:**

Mr. Foley is also the sole owner of an investment adviser registered with the Commonwealth of Massachusetts, BCF Law Group, LLC (CRD # 147174). BCF Law Group, LLC specializes in financial planning and managing client portfolios. Mr. Foley also is a licensed insurance agent in the Commonwealth of Massachusetts. Further, Mr. Foley is an attorney licensed to practice in the Commonwealth of Massachusetts and does so practice through his firm, the Law Office of Brian C. Foley. Mr. Foley devotes approximately 50% of his time to such other business activities.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None