

Laurel Wealth Advisors, Inc.

Client Brochure

(Part 2A of Form ADV)

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Part 2A of Form ADV (the "Brochure") provides information about the qualifications and business practices of Laurel Wealth Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us by phone at (858) 459-1101 and/or by email at lee@laurelwa.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.

Laurel Wealth Advisors, Inc. is a registered investment adviser with the Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made.

Additional information about Laurel Wealth Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 1: Cover Page

Please refer to previous page.

Item 2: Material Changes

This Brochure dated January 22, 2013 was revised to reflect non-material changes to the information. The previous version of this brochure is dated September, 2012.

Because of the amount of detail provided within the Brochure, Laurel Wealth Advisors, Inc. ("LWA") encourages each client to read this Brochure carefully and to call us with any questions you may have.

Pursuant to SEC Rules, LWA will ensure that clients receive a summary of any materials changes to this Brochure within 120 days of the close of LWA's fiscal year end, along with a copy of this Brochure or an offer to provide the Brochure. Additionally, as LWA experiences material changes in the future, we will send you a summary of our "Material Changes" under separate cover. For more information about the firm, please contact lee@laurelwa.com.

Additional information about the firm and its investment adviser representatives is available on the SEC's website at www.adviserinfo.sec.gov or please visit our web site at www.laurelwa.com.

Item 3: Table of Contents

	<u>Page</u>
ITEM 1 – COVER PAGE.....	2
ITEM 2 - MATERIAL CHANGES.....	2
ITEM 3 - TABLE OF CONTENTS.....	3
ITEM 4 - ADVISORY BUSINESS.....	4
ITEM 5 - FEES AND COMPENSATION.....	6
ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT.....	8
ITEM 7 - TYPES OF CLIENTS.....	9
ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS.....	9
ITEM 9 - DISCIPLINARY INFORMATION.....	12
ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS.....	13
ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING.....	13
ITEM 12 - BROKERAGE PRACTICES.....	14
ITEM 13 - REVIEW OF ACCOUNTS.....	19
ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION.....	19
ITEM 15 – CUSTODY.....	21
ITEM 16 - INVESTMENT DISCRETION.....	22
ITEM 17 - VOTING CLIENT SECURITIES.....	22
ITEM 18 - FINANCIAL INFORMATION.....	23

Item 4: Advisory Business

A. Description of the Advisory Firm

Laurel Wealth Advisors, Inc. is a Corporation organized in the state of California.

This firm has been in business since March 2011, and the principal owner is Lee Alfred Tripodi.

B. Types of Advisory Services

Laurel Wealth Advisors, Inc. (hereinafter "LWA") offers the following services to advisory clients:

Investment Supervisory Services

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

- | | |
|-----------------------|--------------------------------|
| • Investment Strategy | • Personal Investment Policy |
| • Asset Allocation | • Asset Selection |
| • Risk Tolerance | • Regular Portfolio Monitoring |

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

Financial Planning

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

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser's recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser.

Selection of Other Advisors

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

Services Limited to Specific Types of Investments

LWA limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, REITs, insurance products including annuities, and government securities. LWA may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

LWA offers the same suite of services to all of its clients. However, some clients may only need limited services due to the nature of their investments. These limited services will be offered at a discounted rate and will be based on a flat fee that may be billed monthly in arrears or quarterly in advance. All services and fees are clearly defined in the Investment Advisory Contract.

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

D. Wrap Fee Programs

LWA offers wrap fee programs as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") of the Brochure. LWA 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. LWA does not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in LWA's Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

E. Amounts Under Management

As of December 31, the following represents the amount of client assets under management by LWA:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$123,300,000
Non-Discretionary	\$134,250,000
Total:	\$257,550,000

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
\$1 - 249,000	2.50%
\$250,000 - 499,000	2.25%
\$500,000 - 999,000	2.00%
\$1,000,000 - 2,499,000	1.50%
\$2,500,000 - 4,999,999	1.25%
Above \$5,000,000	Negotiable

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid either monthly in arrears or quarterly in advance and clients may terminate their contracts with thirty days' written notice. In the event that clients wish to terminate LWA's services, LWA will refund the unearned portion of the advisory fee to clients. Upon receipt of client letter of termination, LWA will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Lower fees for comparable services may be available from other sources.

Other Service Fees

Fixed Fees

Depending upon the complexity of the situation and the needs of the client, the rate for additional services may be between \$250 and \$5,000. Fees are paid in arrears upon completion of the services. Because fees are charged in arrears, no refund is necessary. The fees are negotiable. Clients may terminate their contracts without penalty within five business days of signing the advisory contract. Lower fees for comparable services may be available from other sources.

Fixed fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

Financial Planning

Fees for financial planning may be based on a fixed or hourly fee. Fees may be between \$250 and \$5,000 depending upon complexity of the plan. Please refer to the Financial Planning Agreement for more detail.

Hourly Fees

Depending upon the complexity of the situation and the needs of the client, the hourly fee for these services is \$250. The fees are negotiable and are paid in arrears upon completion of the services. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract. Lower fees for comparable services may be available from other sources.

Hourly fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

Selection of Other Advisors Fees

LWA may direct clients to third party money managers. LWA will be compensated via a fee share from these advisors to which it directs those clients. This relationship will be disclosed in each contract between LWA and each of the third party advisors. The fees shared will not exceed any limit imposed by any regulatory agency. Fees are paid quarterly in advance.

In order to assist the client in the selection of a third-party investment manager, LWA will typically gather information from the clients about their financial situation, investment objectives, and reasonable restrictions imposed on the management of the account. LWA will not offer advice on any specific securities or other investments in connection with this service.

LWA will periodically review reports provided to the client. The Investment Adviser Representatives of LWA will contact the client periodically, as agreed, in order to review the client's financial situation and objectives; communicate information to the third-party manager as warranted and assist the clients in understanding and evaluating the services provided by the third-party manager. Clients will be expected to notify LWA of any changes in their financial situation, investment objectives, or account restrictions. Clients may also contact directly the third-party manager managing the account or sponsoring the program.

LWA makes every reasonable attempt to ensure that any investment advisers that the firm selects or recommends to clients are properly licensed or exempt from registration.

B. Description of Any Other Types of Fees or Expenses

Non-Wrap fee Clients will incur transaction charges by the custodian for trades executed in accounts. These transaction fees are separate from LWA's fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which LWA does 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 LWA's 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 LWA's separate Wrap Fee Program Brochure.

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

LWA does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains on or capital appreciation of the client's assets or any portion of the client's assets). Consequently, we do not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described above, we provide our services for an advisory fee that is based upon a percentage of a client's assets under management, which is in accordance with state and federal requirements.

Item 7: Types of Clients

LWA generally provides discretionary and non-discretionary investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations

Minimum Account Size

There is an account minimum, \$100,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

LWA will emphasize continuous personal client contact and interaction in providing discretionary and non-discretionary investment supervisory services. Further, LWA will work with its clients to identify their investment goals and objectives as well as risk tolerance in order to create an initial portfolio allocation designed to complement their clients' goals and objectives. LWA may create a portfolio, consisting of individual stocks, bonds, or other securities.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

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

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

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

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

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Investment Strategies

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

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

B. Material Risks Involved

Methods of Analysis

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

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

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

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Investment Strategies

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

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

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

C. Risks of Specific Securities Utilized

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

Investing in securities involves a significant risk of loss. LWA's investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may be a loss or depreciation to the value of the client's account, which clients should be prepared to bear. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made. Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk and consequently, the value of the client's account may at any time be worth more or less than the amount invested.

Risks Involved in Particular Types of Investments

Stock Market Risk: The market value of stocks will generally fluctuate with market conditions. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Past performance of investments is no guarantee of future results.

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.

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.

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.

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.

Political and Legislative Risk: Companies face a complex set of laws and circumstances in each country in which they operate. The political and legal environment can change rapidly and without warning, with significant impact, especially for companies operating outside of the United States or those companies who conduct a substantial amount of their business outside of the United States.

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.

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

D. Our Practices Regarding Cash Balances in Client Accounts

LWA generally invests client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, LWA tries 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 LWA may debit advisory fees for our services related to Investment Advisory Services, as applicable.

Item 9: Disciplinary Information

Registered investment advisers such as LWA are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's prospective client's evaluation of LWA or the integrity of its management. LWA does not have any such legal or disciplinary events in its history and therefore has no information to disclose with respect to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Lee Alfred Tripodi, President and owner of LWA is the director of Tripodi Advisory Group, LLC a consulting company regarding financial business issues including expert witness.

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

A. Code of Ethics

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 accounts¹. 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 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

¹ 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.

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. Recommendations Involving Material Financial Interests

LWA does not recommend that clients buy or sell any security in which a related person to LWA has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

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

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of LWA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of LWA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. LWA will always process clients' transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

LWA may recommend/require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a SEC registered broker-dealer, member FINRA/SIPC, or with TD Ameritrade, Inc. ("TD Ameritrade") to maintain custody of clients' assets and to effect trades for their accounts. LWA is independently owned and operated, and not affiliated with Schwab or TD Ameritrade. The final decision to custody assets with Schwab or TD Ameritrade is at the discretion of the Advisor's clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA

acountholder. Schwab and TD Ameritrade provide LWA with access to its institutional trading and custody services, which are typically not available to Schwab or TD Ameritrade retail investors. Services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

B. Your Brokerage and Custody Costs

The custodian generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through the custodian or that settle into their accounts.

C. Products and Services Available to Us from the Custodian

The custodian also makes available to LWA other products and services that benefit LWA but may not benefit its clients' accounts. These benefits may include national, regional or LWA specific educational events organized and/or sponsored by the custodian. Other potential benefits may include occasional business entertainment of personnel of LWA by the custodian's personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist LWA in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of LWA's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of LWA's accounts, including accounts not maintained at the custodian. The custodian also makes available to LWA other services intended to help LWA manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, the custodian may make available, arrange and/or pay vendors for these types of services rendered to LWA by independent third parties. the custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to LWA. While, as a fiduciary, LWA endeavors to act in its

clients' best interests, LWA's recommendation/requirement that clients maintain their assets in accounts at the custodian may be based in part on the benefit to LWA of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by the custodian, which may create a potential conflict of interest.

1. Clients Directing Which Broker/Dealer/Custodian to Use

LWA allows clients to direct brokerage. LWA may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage LWA may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

Best Execution

It is the policy and practice of LWA to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve best execution, LWA will use its best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best overall qualitative execution. Although LWA will strive to achieve the best execution possible for client securities transactions, this does not require it to solicit competitive bids and LWA does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while LWA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions LWA is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate.

To ensure that brokerage firms recommended by LWA are conducting overall best qualitative execution, LWA will periodically (and no less often than annually) evaluate the trading process and brokers utilized. LWA's evaluation will consider the full range of brokerage services offered by the brokers, which may include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability.

1. Research and Other Soft Dollar Benefits

LWA's general policy is to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") when entering into soft dollar arrangements. Section 28(e) recognizes the potential conflict of interest involved in this activity, but generally allows investment advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, "research" means services or products used to provide lawful and appropriate assistance to LWA in making investment decisions for its clients. "Brokerage" services and products are those used to effect securities transactions for LWA's clients or to assist in effecting those transactions.

Research and other products and services purchased with soft dollars will generally be used to service all of LWA's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio, as permitted by Section 28(e). In other words, there may be certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker-dealer providing the services.

Brokerage services obtained with soft dollars may include, for example, quotation and communication equipment and services, other order management systems that provide trading software or provide connectivity to such software, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement and message services used to transmit orders.

Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. Research received by LWA under such soft dollar arrangements may include both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

There may be cases when LWA may receive both non-research (e.g. administrative or accounting services etc.) and research benefits from the services provided by broker-dealers. If and when this happens, LWA will make a good faith allocation between the non-research and research portion of the services received, and will pay "hard dollars" (i.e., LWA will pay from their own monies) for the non-research portion. In making a good faith allocation between research services and non-

research services, a conflict of interest may exist by reason of LWA's allocation of the costs of such services and benefits between those that primarily benefit LWA and those that primarily benefit clients. LWA strives to always put the client's interests first.

As stated above, LWA may recommend that clients establish brokerage accounts with the custodian to maintain custody of clients' assets and to effect trades for their accounts. The custodian is a SEC-registered broker-dealers and members FINRA/SIPC. While there is no direct link between the investment advice given to clients and LWA's recommendation to use the custodial or brokerage services of the custodian, certain benefits are received by LWA due to this arrangement.

Trade Aggregation and Allocation

Transactions for each client will be effected independently, unless LWA decides to purchase or sell the same securities for several clients at approximately the same time. LWA performs investment management services for various clients, some of which may have similar investment objectives. LWA may aggregate sale and purchase orders with other client accounts and proprietary (employee) accounts that have similar orders being made at the same time, if in LWA's judgment such aggregation is reasonably likely to result in an overall economic benefit to the affected accounts. Such benefits may include better transaction prices and lower trade execution costs. LWA 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 LWA's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. If all aggregate orders do not fill at the same price, transactions will generally be averaged as to price and allocated among participating accounts pro rata to the purchase and sale orders placed for each participating account on any given day. If such orders cannot be fully executed under prevailing market conditions, LWA may allocate the securities traded among participating accounts and each similar order in a manner which it considers equitable, taking into consideration, among other things, the size of the orders placed, the relative cash positions of each account, the investment objectives of the accounts, and liquidity of the security.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by Lee Alfred Tripodi, President. Lee Alfred Tripodi is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at LWA are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Lee Alfred Tripodi, President. There is only one level of review and that is the total review conducted to create the financial plan.

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

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

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly a written report that details the clients account which may come from the custodian.

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

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Received

LWA generally recommends that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), registered broker-dealers, Member FINRA/SIPC, to maintain custody of Clients' assets and to effect trades for their accounts. Our firm is independently owned and operated and not affiliated with Schwab. Our firm may also recommend that Clients establish accounts with firms other than Schwab.

Form ADV 2A Version: January 2013

Our firm places trades for its Clients' accounts subject to its duty to seek best execution and its other fiduciary duties. Our firm may use broker-dealers other than Schwab to execute trades for client accounts maintained at Schwab, but this practice may result in additional costs to clients so that we are more likely to place trades through Schwab rather than other broker-dealers. Schwab's execution quality may be different than other broker-dealers. For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Some of the products, services and other benefits provided by Schwab benefit us and may not benefit our firm's client accounts. Our recommendation/requirement that a client place assets in Schwab's custody may be based in part on benefits Schwab provides to us, and not solely on the nature, cost or quality of custody and execution services provided by Schwab.

Schwab also makes available to our firm other products and services that benefit us but may not benefit clients' accounts. These benefits may include national, regional or specific to our firm, educational events organized and/or sponsored by Schwab Institutional. Other potential benefits may include occasional business entertainment of personnel of our firm by Schwab Institutional personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist us in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our firm's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to us other services intended to help our firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to our firm by independent third parties.

Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to us. While, as a fiduciary, Our firm endeavors to act in its clients' best interests, our recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or

quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

But for soft dollar arrangements, we would have to obtain the aforementioned services and products for cash. As a result of receiving such products and services for no cost, we may have an incentive to continue to place Client trades through broker-dealers that offer soft dollar arrangements. This interest conflicts with the Clients' interest of obtaining the lowest commission rate available. Therefore, our firm must determine in good faith, based on the "best execution" policy stated above that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

From time-to-time our firm may make an error in submitting a trade order on a client's behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of the client's account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should have received the gain, it is not permissible for the client to retain the gain, or our firm confers with the client and the client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client's account and Schwab is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, we will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the client's account, they may be netted.

B. Compensation for Client Referrals

LWA or a related person does not have any arrangement, oral or in writing, where it is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients or directly.

LWA or a related person does not have any arrangement, oral or in writing, where it directly or indirectly compensates any person for client referrals.

Item 15: Custody

Under Rule 206(4)-2 (the "Custody Rule"), LWA will be deemed to have custody of client funds or securities by reason of the fact that LWA has authority to debit its fees directly from the client's account. **LWA does not physically possess client funds or securities.** Custody of client assets will be maintained with an independent qualified custodian, except for certain privately offered securities (such as interests in a limited partnership or other pooled investment vehicle

subject to annual audit), in which case ownership thereof is recorded only on the books of the issuer..

LWA may only implement its investment management recommendations after the client has arranged for and furnished LWA with all information and authorization regarding accounts with appropriate financial institutions to act as custodian. In most cases, a client's broker-dealer also may act as the custodian of the client's assets for little or no extra cost. Clients should thoroughly consider, however, the differences between having their assets custodied at a broker-dealer versus at a bank or trust company. Some of these differences include, but are not limited to, custodian costs, trading issues, security of assets, client reporting and technology.

Clients will receive statements on at least a quarterly basis directly from the qualified custodian that holds and maintains client's assets. Clients are urged to carefully review all custodial statements and compare them to the statements provided by LWA. LWA's statements may vary from custodial statements due to accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

For those clients' accounts where LWA provides ongoing supervision, the client may give LWA written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides LWA discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

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

Proxy voting for plans governed by ERISA must conform to the plan document in effect. In case where the investment manager is listed as the fiduciary responsible for voting proxies, the responsibility will be designated to another fiduciary and reflected in the plan document.

LWA shall not be deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Item 18: Financial Information

A. Balance Sheet

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

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

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

C. Bankruptcy Petitions in Previous Ten Years

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