

Disclosure Brochure

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This brochure provides information about the qualifications and business practices of Lipset Wealth Strategies, Inc. (hereinafter "Lipset Wealth Strategies" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm using the contact information listed above. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Lipset Wealth Strategies is a registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

In this Item, Lipset Wealth Strategies is required to discuss any material changes which have been made to the brochure since the Firm's last annual updating amendment. There is no such information to disclose in reference to this Item.

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Item 4. Advisory Business

Formed in February 2012, Lipset Wealth Strategies has been in business as a registered investment adviser since April 2012 and is principally owned by Lance A. Lipset.

Lipset Wealth Strategies offers clients a variety of investment advisory services, which includes financial planning, consulting and portfolio management. Prior to the rendering of the foregoing advisory services, clients will be required to enter into a written agreement with Lipset Wealth Strategies setting forth the relevant terms and conditions of the advisory relationship (the “*Agreement*”). As of January 16, 2013, the Firm had approximately \$105,668,000 in assets under management, roughly \$49,323,000 of which was managed on a discretionary basis and \$56,345,000 on a non-discretionary basis.

While this brochure generally describes the business of Lipset Wealth Strategies, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Lipset Wealth Strategies’ behalf and is subject to the Firm’s supervision or control.

Financial Planning and Consulting Services

As part of the Lipset Wealth Strategies’ financial planning and consulting services, the Firm may be engaged to perform the following functions:

- Business Planning
- Cash Flow Forecasting
- Asset Allocation
- Retirement Planning
- Education Funding
- Estate Planning
- Financial Reporting
- Asset Allocation Strategy
- Insurance Needs Analysis
- Retirement Plan Analysis
- Wealth Transfer
- Charitable Giving
- Risk Management
- Distribution Planning

While these services are typically provided as part of a comprehensive wealth management engagement, the Firm may also provide them as part of a separate, stand-alone arrangement. In performing these services, Lipset Wealth Strategies is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Lipset Wealth Strategies may recommend the services of itself and/or other professionals to implement its recommendations.

Clients are advised that a conflict of interest exists if Lipset Wealth Strategies recommends its own services. Clients are under no obligation to act upon any of the recommendations made by Lipset Wealth Strategies under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Lipset Wealth Strategies itself. Clients retain absolute discretion over all such implementation decisions. Clients are advised that it remains their responsibility to promptly notify Lipset Wealth Strategies if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Lipset Wealth Strategies' previous recommendations and/or services.

Wealth Management Services

Lipset Wealth Strategies manages client investment portfolios on a discretionary or non-discretionary basis by primarily allocating assets among various mutual funds, exchange-traded funds ("ETFs") and, to a lesser extent, individual stocks and bonds, alternative investments and other independent investment managers ("*Independent Managers*").

Clients may also engage Lipset Wealth Strategies to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts, and assets held in employer sponsored retirement plans and qualified tuition plans (e.g., 529 plans). In these situations, Lipset Wealth Strategies directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Lipset Wealth Strategies tailors its advisory services to accommodate the needs of its individual clients and continuously seeks to ensure that its clients' portfolios are managed in a manner consistent with their specific investment profiles. Lipset Wealth Strategies consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other factors relevant to the management of their portfolios. Clients are advised to promptly notify Lipset Wealth Strategies if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Lipset Wealth Strategies determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

These management services are provided through the Lipset Wealth Strategies Program (the "Program"), a wrap fee program (i.e., where Lipset Wealth Strategies covers securities brokerage charges and transaction fees). Additional information about the Program is available in Lipset Wealth Strategies' Wrap Brochure, which appears as Part 2A Appendix 1 of the Firm's Form ADV (the "Wrap Brochure").

Use of Independent Managers

As mentioned above, Lipset Wealth Strategies may select or recommend certain *Independent Managers* to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an *Independent Manager* are set forth in a separate written agreement between the designated *Independent Manager* and either Lipset Wealth Strategies or the client. In addition to this brochure, clients also receive the written disclosure documents of the designated *Independent Managers* engaged to manage their assets. Lipset Wealth Strategies does not receive compensation from any such *Independent Managers*.

Lipset Wealth Strategies evaluates various information about the *Independent Managers* in which it recommends or selects to manage client portfolios. The Firm generally reviews a variety of different resources, which may include the *Independent Managers'* public disclosure documents, materials supplied by the *Independent Managers* themselves, and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Managers'* investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposures. Lipset Wealth Strategies also takes into consideration each *Independent Manager's* management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other related factors.

Lipset Wealth Strategies continues to provide services relative to the discretionary or non-discretionary selection of the *Independent Managers*. On an ongoing basis, the Firm monitors the performance of those accounts being managed by *Independent Managers* by reviewing the account statements and trade confirmations produced by the *Financial Institutions* (as defined below), as well as other performance information furnished by the *Independent Managers* and/or other third-party providers. Lipset Wealth Strategies seeks to ensure the *Independent Managers'* strategies and target allocations remain aligned with its clients' overall portfolio exposures and investment objectives.

Item 5. Fees and Compensation

Lipset Wealth Strategies offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

Additionally, certain of Lipset Wealth Strategies' *Supervised Persons*, in their individual capacities, are registered representatives with Purshe Kaplan Sterling Investments, Inc. ("PKSI"), an SEC registered broker-dealer and member of FINRA/SIPC. As registered representatives of PKSI, these registered representatives may offer securities brokerage services under a separate commission-based arrangement. Lipset Wealth Strategies receives no portion of any commissions or other fees paid to PKSI in connection with these brokerage services.

Financial Planning and Consulting Fees

Lipset Wealth Strategies generally charges a negotiable hourly and/or fixed fee to provide clients with stand-alone financial planning or consulting services. These fees are largely determined by the scope and complexity of the agreed upon services and the investment professional engaged to provide them. The Firm's fixed fees will range between \$2,500 and \$5,000 per engagement, but may run higher for intricate or more comprehensive projects. The hourly rate for the services of the Firm's Principal or another investment adviser representative is \$350 per hour.

The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with Lipset Wealth Strategies. Generally, Lipset Wealth Strategies will require one-half of the financial planning or consulting fee payable upon execution of the *Agreement* and the balance due at the time the financial plan is delivered or the underlying services are rendered to completion. Depending on the arrangement, if the client engages Lipset Wealth Strategies for additional investment advisory services, Lipset Wealth Strategies may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Wealth Management Fees

Lipset Wealth Strategies provides wealth management services, including the selection of independent managers, for an annual wrap fee based upon the average daily value of a client's assets during the previous billing period. As fully described in the Wrap Brochure, this asset-based fee will vary depending upon the size of a client's portfolio and the type of management services rendered. This fee is prorated and billed quarterly in advance, as derived from the average daily market value of the assets being managed by Lipset Wealth Strategies under the Program during the previous quarter.

Fee Discretion

Lipset Wealth Strategies, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

Additional Fees and Expenses

In addition to the fee paid to Lipset Wealth Strategies, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic

fund fees, and other fees and taxes on brokerage accounts and securities transactions. These brokerage services are described in Item 12 of this brochure and in within various sections of the Wrap Brochure.

Fee Debit

The Firm's *Agreement* and the separate agreement with any *Financial Institutions* will generally authorize Lipset Wealth Strategies and/or the *Independent Managers* to debit its clients' accounts for the amount of the management fee and to directly remit that fee to Lipset Wealth Strategies or the *Independent Managers*. Any *Financial Institutions* recommended by Lipset Wealth Strategies will have agreed to send statements to clients not less than quarterly indicating all amounts disbursed from the account, including the amount paid directly to Lipset Wealth Strategies.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to Lipset Wealth Strategies' right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Lipset Wealth Strategies, subject to the usual and customary securities settlement procedures. However, Lipset Wealth Strategies designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Lipset Wealth Strategies may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

Commissions or Sales Charges for Recommendations of Securities

Clients will also be able to engage certain persons associated with Lipset Wealth Strategies (but not Lipset Wealth Strategies) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Lipset Wealth Strategies.

Under this arrangement, certain of the Firm's *Supervised Persons*, in their individual capacities as registered representatives of *PKSI*, may provide securities brokerage services and implement securities transactions under a separate commission based arrangement. Lipset Wealth Strategies' *Supervised Person* may be entitled to a portion of the brokerage commissions paid to *PKSI*, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. Lipset Wealth Strategies may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with *PKSI*. Lipset Wealth Strategies does not receive any portion of the commissions or transactional fees charged by *PKSI*.

A conflict of interest exists to the extent that Lipset Wealth Strategies recommends the purchase of securities where Lipset Wealth Strategies' *Supervised Persons* receive commissions or other additional compensation as a result of Lipset Wealth Strategies' recommendations. Lipset Wealth Strategies has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act ("ERISA"), and such others that Lipset Wealth Strategies, in its sole discretion, deems appropriate, Lipset Wealth Strategies may provide its investment advisory services on a fee-offset basis. In this scenario, Lipset Wealth Strategies may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by Lipset Wealth Strategies' *Supervised Persons* in their individual capacities as registered representatives of *PKSI*.

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

Lipset Wealth Strategies does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Item 7. Types of Clients

Lipset Wealth Strategies offers its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Minimum Account Requirements

As a condition for starting and maintaining an investment management relationship, Lipset Wealth Strategies generally imposes a stated minimum portfolio size of \$750,000.

The Firm, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention, and *pro bono* activities. For these clients, Lipset Wealth Strategies may impose a minimum annual fee, resulting in an effective fee rate that exceeds its stated fee schedule. Lipset Wealth Strategies only accepts clients with less than the minimum portfolio size if, in the sole opinion of the Firm, the smaller portfolio size will not result in a substantial increase of investment risk beyond the client's identified risk tolerance. Lipset Wealth Strategies may aggregate the portfolios of family members to meet the minimum portfolio size.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than Lipset Wealth Strategies. In such instances, Lipset Wealth Strategies may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

Methods of Analysis

Lipset Wealth Strategies generally utilizes a combination of largely fundamental and technical methods of analysis.

Fundamental analysis involves an evaluation of an issuer's fundamental financial condition and competitive position. Lipset Wealth Strategies generally analyzes an issuer's financial condition, capabilities of management, growth prospects, earnings capacity, new products and services, as well as the company's position amongst its industry competitors in order to determine the recommendations made to clients. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Lipset Wealth Strategies will be able to accurately predict such a reoccurrence.

Investment Strategies

Lipset Wealth Strategies draws from numerous asset classes to construct a diversified portfolio that mirrors the client's time horizon, objectives, and tax status. In constructing a portfolio, the Firm utilizes equities, fixed income, cash, commodities, real estate and alternative assets. In an effort to manage risk as well as return, Lipset Wealth Strategies incorporates investments with historically low or negative correlations to one another. The Firm's approach is considered to be "top down", emphasizing the big picture of the global economy, and from there, determining the prudent size, style and sector or equities as well as quality and duration of the fixed income markets.

Risks of Loss

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

Market Risks

The profitability of a significant portion of Lipset Wealth Strategies' recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Lipset Wealth Strategies will be able to predict price movements accurately.

Mutual Funds and Exchange-Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Use of Independent Managers

Lipset Wealth Strategies may recommend the use of *Independent Managers*. In these situations, Lipset Wealth Strategies continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment

strategies. In addition, Lipset Wealth Strategies generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

Use of Private Collective Investment Vehicles

Lipset Wealth Strategies recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

Item 9. Disciplinary Information

Lipset Wealth Strategies has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

Item 10. Other Financial Industry Activities and Affiliations

Registered Representatives of a Broker Dealer

Certain of the Firm's *Supervised Persons* are registered representatives of *PKSI* and may provide clients with securities brokerage services under a separate commission-based arrangement. This arrangement is described at length in Item 5.

Item 11. Code of Ethics

Lipset Wealth Strategies and persons associated with Lipset Wealth Strategies are permitted to buy or sell securities that it also recommends to clients consistent with Lipset Wealth Strategies' policies and procedures.

Lipset Wealth Strategies has adopted a code of ethics ("*Code of Ethics*") made up of its personal securities transaction and insider trading policies and procedures. When Lipset Wealth Strategies is purchasing or considering for purchase any security on behalf of a client, no *Covered Person* (as defined below) may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Lipset Wealth Strategies is selling or

considering the sale of any security on behalf of a client, no *Covered Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security.

Unless specifically defined in Lipset Wealth Strategies' procedures, neither Lipset Wealth Strategies nor any of Lipset Wealth Strategies' associated persons may effect for himself or herself, for an associated person's immediate family (e.g., spouse, minor children, and adults living in the same household as the associated person), or for trusts for which the associated person serves as a trustee or in which the associated person has a beneficial interest (collectively "*Covered Persons*"), any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Lipset Wealth Strategies' clients.

The foregoing policies and procedures are not applicable to:

- Transactions effected in any account over which neither Lipset Wealth Strategies nor any of its *Supervised Persons* has any direct or indirect influence or control; and
- Transactions in securities that are: direct obligations of the government of the United States; bankers' acceptances, bank certificates of deposit, commercial paper, and high quality short-term debt instruments, including repurchase agreements; or shares issued by registered open-end investment companies.

This policy has been established recognizing that some securities being considered for purchase and sale on behalf of Lipset Wealth Strategies' clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of such securities. Under certain limited circumstances, exceptions may be made to the policies stated above. Lipset Wealth Strategies will maintain records of these trades, including the reasons for any exceptions.

In accordance with applicable rules and regulations, Lipset Wealth Strategies also maintains and enforces written policies reasonably designed to prevent the unlawful use of material non-public information by Lipset Wealth Strategies or any of its *Supervised Persons*. Clients and prospective clients may contact Lipset Wealth Strategies to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

Recommendation of Financial Institutions

Lipset Wealth Strategies will generally recommend that investment management clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*").

Lipset Wealth Strategies may only implement its investment management recommendations after the client has arranged for and furnished Lipset Wealth Strategies with all information and authorization regarding accounts held at their respective financial institutions. Factors which Lipset Wealth Strategies

considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* may enable Lipset Wealth Strategies to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Lipset Wealth Strategies' clients comply with Lipset Wealth Strategies' duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Lipset Wealth Strategies determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Lipset Wealth Strategies seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom Lipset Wealth Strategies and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. Lipset Wealth Strategies periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

Brokerage for Client Referrals

Lipset Wealth Strategies does not consider, in recommending broker-dealers, whether the Firm or a related person receives client referrals from a broker-dealer or third party.

Directed Brokerage

A client may direct Lipset Wealth Strategies in writing to use a particular *Financial Institution* to execute some or all transactions for the client. As not all investment advisers require their clients to direct brokerage, the Firm does not routinely recommend, request or require a client do so. In direct brokerage situations, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Lipset Wealth Strategies will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Lipset Wealth Strategies. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Lipset Wealth Strategies may decline a client's request to direct brokerage if, in Lipset Wealth Strategies' sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Trade Aggregation

Transactions for each client generally will be effected independently, unless Lipset Wealth Strategies decides to purchase or sell the same securities for several clients at approximately the same time. Lipset Wealth Strategies 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 Lipset Wealth Strategies’ clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. In this situation, transactions will generally be averaged as to price and allocated among Lipset Wealth Strategies’ clients *pro rata* to the purchase and sale orders placed for each client on any given day.

To the extent that Lipset Wealth Strategies determines to aggregate client orders for the purchase or sale of securities, including securities in which Lipset Wealth Strategies’ *Supervised Persons* may invest, Lipset Wealth Strategies generally does so in accordance with applicable rules and regulations. Lipset Wealth Strategies does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Lipset Wealth Strategies determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include:

- When only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates;
- Allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- If an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed);
- With respect to sale allocations, allocations may be given to accounts low in cash;
- In cases when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Lipset Wealth Strategies may exclude the account(s) from the allocation and the transactions may be executed on a *pro rata* basis among the remaining accounts; or
- In cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Lipset Wealth Strategies in its investment decision-making process. Such research generally will be used to service all of Lipset

Wealth Strategies' 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. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Lipset Wealth Strategies does not have to produce or pay for the products or services.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *PKSI*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *PKSI* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to executing securities transactions through *PKSI* unless they first secure written consent from *PKSI* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *PKSI*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *PKSI* under *PKSI*'s internal supervisory policies. Lipset Wealth Strategies is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Software and Support Provided by Financial Institutions

Lipset Wealth Strategies may receive from *Fidelity*, without cost to Lipset Wealth Strategies, computer software and related systems support, which allow Lipset Wealth Strategies to better monitor client accounts maintained at *Fidelity*. Lipset Wealth Strategies may receive the software and related support without cost because Lipset Wealth Strategies renders investment management services to clients that maintain assets at *Fidelity*. While these do result in a benefit for the Firm, it does not consider these to be soft dollar benefits (e.g., a benefit tied to client securities transactions). The software and related systems support, which the Firm does not consider to be "soft dollar benefits" may benefit Lipset Wealth Strategies, but not its clients directly. In fulfilling its duties to its clients, Lipset Wealth Strategies endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Lipset Wealth Strategies' receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Lipset Wealth Strategies' choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

In addition, Lipset Wealth Strategies anticipates that it will enter into an agreement with *Fidelity*, whereby *Fidelity* will provide the Firm with a business loan to be used toward the start-up costs and expenses attributed to the Firm's launch. Lipset Wealth Strategies may also receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group:

- Receipt of duplicate client confirmations and bundled duplicate statements;

- Access to a trading desk that exclusively services its Institutional Wealth Services Group participants;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and
- Access to an electronic communication network for client order entry and account information.

Item 13. Review of Accounts

Account Reviews

Lipset Wealth Strategies monitors the portfolios of its investment management clients as part of a continuous and ongoing process, while regular account reviews are conducted at least annually. For those clients to whom Lipset Wealth Strategies provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. All such reviews are conducted by one of Lipset Wealth Strategies’ investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Lipset Wealth Strategies and to keep Lipset Wealth Strategies informed of any changes thereto. Lipset Wealth Strategies contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in their financial situations and/or investment objectives.

Account Statements and Reports

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time to time or as otherwise requested, investment advisory clients also receive written or electronic reports from Lipset Wealth Strategies and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from Lipset Wealth Strategies or an outside service provider.

Item 14. Client Referrals and Other Compensation

Client Referrals

Lipset Wealth Strategies does not currently provide compensation to third-party solicitors for client referrals.

Other Economic Benefit

Lipset Wealth Strategies may receive an economic benefit from a third party (non-client) for providing investment advice to the Firm's advisory clients. This type of relationship poses a conflict of interest, as discussed in Item 12.

Item 15. Custody

Lipset Wealth Strategies is deemed to have custody over a client's assets when it is authorized to directly debit a client's account for payment of the Firm's quarterly management fee. In accordance with applicable custody rules, the *Financial Institutions* recommended by Lipset Wealth Strategies have agreed to send statements to clients, not less than quarterly, indicating all amounts paid to Lipset Wealth Strategies and/or the *Independent Managers* engaged to manage their accounts. Where required by applicable state securities laws, Lipset Wealth Strategies will also send clients quarterly fee statements, detailing all amounts deducted for payment of the Firm's management fee.

As discussed in Item 13, Lipset Wealth Strategies and/or a third party vendor may also send periodic reports to clients. Clients are advised to carefully review the statements and confirmations sent directly by the *Financial Institutions* and to compare them with any reports received from Lipset Wealth Strategies or an outside service provider.

Item 16. Investment Discretion

Clients may grant Lipset Wealth Strategies the authority to exercise discretion on their behalf. Lipset Wealth Strategies is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Lipset Wealth Strategies is given this authority through a power-of-attorney included in the *Agreement* executed by the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Specifically, Lipset Wealth Strategies may take discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

Item 17. Voting Client Securities

Lipset Wealth Strategies will not accept the authority to vote clients' securities (i.e., proxies) on their behalves. Clients will receive proxies directly from the *Financial Institutions* where their assets are custodied and may contact the Firm using the contact information on the cover of this brochure with questions about proxies and/or other such solicitations.

Item 18. Financial Information

Lipset Wealth Strategies is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.



a Registered Investment Adviser

Prepared by:

