

# Merriman

Invest Wisely. Live Fully.



## Merriman Wealth Management, LLC

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January 30, 2013

### Item 1 – Cover Page

This ADV Part II (“brochure”) provides information about the qualifications and business practices of Merriman Wealth Management, LLC (“Merriman”). If you have any questions about the contents of this brochure, please contact Merriman’s Chief Compliance Officer, Stephanie Brown, at 1.800.423.4893 or [stephanie@merriman.com](mailto:stephanie@merriman.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

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

*Merriman Wealth Management, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training, and you should not choose an investment advisor solely on the basis of its status as a registered investment advisor. Please consider the information provided to you in oral and written communications to determine whether to hire or retain an investment advisor and to evaluate an investment advisor’s qualifications and business practices.*

## Item 2 Material Changes

Merriman Wealth Management, LLC (“Merriman”) updates its ADV Part II (“brochure”) annually, or more frequently in the event of certain material changes. This section outlines and summarizes the specific changes made since the brochure’s previous update. Merriman will deliver a copy of this section to its clients within 120 days of the close of its fiscal year to make sure clients are aware of any material changes to the firm’s business philosophies and practices.

This brochure, dated January 30, 2013, includes the material changes below since Merriman, LLC’s update on March 30, 2012. Merriman’s clients may request a full copy of the latest version of this brochure at any time by contacting Stephanie Brown, Chief Compliance Officer, at 1.800.423.4893 or [stephanie@merriman.com](mailto:stephanie@merriman.com). A complete copy is also available online at [www.merriman.com/Disclosures/ADV.pdf](http://www.merriman.com/Disclosures/ADV.pdf).

### **Amendment to Item 4: Advisory Business**

Effective December 31, 2012, Merriman Wealth Management, LLC (“Merriman”) succeeded to the advisory business of Merriman, LLC. As part of the succession, Merriman has become a part of the Focus Financial Partners, LLC (“Focus”) network.

### **Amendment to Item 10: Other Financial Industry Activities and Affiliations**

Merriman is part of the Focus Financial Partners, LLC (“Focus”) network. As such, Merriman is a wholly-owned subsidiary of Focus Operating, LLC, which is a wholly-owned subsidiary of Focus. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the “Focus Partners”). The Focus Partners provide wealth management, benefit and investment consulting services, serving individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADV Schedule Ds.

Merriman’s clients are not solicited to invest in any other Focus Partners’ advisory services, and generally Focus Partners do not recommend securities, services, or other investment products of other Focus partner firms, unless so disclosed on their respective Form ADVs and with the clients’ informed consent, nor are any transactions executed through another Focus Partner’s affiliated broker dealer. Further, the Focus Partners do not market their services or share client information amongst each other without prior client consent. Management of other Focus Partners are not involved in the management of Merriman.

A list of the related person investment advisers and broker dealers can be found on Merriman’s Form ADV Part 1 Schedule D and additional information about Focus can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

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## Item 4 Advisory Business

Merriman (formerly Merriman, LLC) has been providing investment advisory services to clients since 1983 and joined Focus Financial Partners, LLC (“Focus”) on December 31, 2012. See Item 10 for more information about this partnership.

As of December 31, 2012, Merriman manages over \$1.5 billion in client assets, giving ongoing investment advice to thousands of clients across the country.

Merriman seeks to construct well-balanced and globally-diversified portfolios based on academic research, with the goal of providing investors with superior risk-adjusted returns. The firm’s two primary investment products use mutual funds and exchange-traded funds (“ETFs”) to help clients achieve their investment objectives, as follows:

- (i) **Merriman MarketWise (“MarketWise”)**: client assets are allocated and rebalanced across what Merriman believes to be a carefully selected mix of mutual funds to maximize returns and manage risks; and
- (ii) **Merriman TrendWise (“TrendWise”)**: employs a disciplined market-timing approach, using proprietary computer models developed and maintained by Merriman’s research team. Merriman offers two variations of TrendWise: TrendWise100 and TrendWise80.

Merriman is also the Investment Manager of the Leveraged Global Opportunity Fund, L.P. (“LGO”), a private investment fund that seeks to achieve capital appreciation primarily through a market-timing approach.

Merriman has discretionary authority over all managed accounts and LGO (as explained in Item 16). When operationally feasible, Merriman strives to accommodate client requests for certain restrictions on their accounts.

Each of these products is described in additional detail in Item 8.

In addition to investment management, Merriman provides limited financial planning advice to its clients, at no extra charge, including assistance with answers to questions like these:

- When will I be able to retire?
- What is the best withdrawal strategy for me when I am retired?
- How can I use my portfolio to help fund my lifestyle in retirement?
- Will I need to make any changes to sustain a long retirement?
- When should I take Social Security?
- What are the best ways to save for my kids’ and grandkids’ college educations?
- How can I build a financial legacy?

Merriman may also provide referrals to professionals who specialize in taxation, estate planning, mortgage financing, insurance and other areas, as needed.

Merriman  
provides limited  
financial planning  
advice to its  
clients, at no  
extra charge



## Item 5 Fees and Compensation

Merriman does  
not work on  
commission

As a fee-only advisory firm, Merriman is compensated through fees paid by its clients, and does not work on commission or sell investment products. The firm believes this compensation structure enhances its ability to select the best investment options for its clients.

For all investment products except LGO\*, Merriman charges management fees on a monthly basis. These management fees are calculated and paid monthly by applying the annual rates shown below (unless otherwise agreed with a client) to the average daily balance in each client's account for the billing period. If a client has multiple accounts in the same program, the client's fees for that program may be based on the total combined assets of those accounts.

**MarketWise** - annual fees:

1% on balances up to \$1 million, plus

0.6% on balances between \$1 million and \$8 million, plus

0.4% on balances over \$8 million

**TrendWise** - annual fees:

1.35% on balances up to \$500,000, plus

0.9% on balances over \$500,000

Pre-existing advisory clients are subject to the terms and conditions that were in effect per the client's most recent Investment Advisory Agreement. Therefore, minimum account requirements and management fee rates may differ among clients.

Except when other arrangements are agreed upon, Merriman deducts these fees automatically from each managed account after the completion of the monthly billing period. Each fee withdrawal is reflected on the client's monthly account statement sent by the relevant custodian.

Merriman directly invoices a limited number of clients (i.e., less than 1% of all clients) quarterly, in advance, because of special circumstances. The fees for these accounts are based on each account's market value at the end of the previous quarter. Because these fees are paid outside the clients' accounts, they are not reflected on statements sent by the custodian.

Accounts initiated or terminated during a billing period are charged a pro-rated fee based on the number of days the account was under Merriman's management in the relevant period. For any individual account(s) closed between billing cycles, the final invoice is calculated on a stand-alone basis without consideration for other household assets.

When an account is terminated, Merriman promptly refunds any prepaid, unearned fees; any earned, unpaid fees become due and payable at that time. Merriman charges a 1% monthly penalty for overdue accounts plus reasonable collection costs if necessary.

In addition to the fees described above, clients are responsible for any brokerage commissions, transaction fees, transfer fees and taxes as well as other related costs and expenses which may be charged by custodians, brokers, mutual funds and other third parties.

\*LGO pays Merriman, as its Investment Manager, a monthly allowance for expense reimbursement, calculated as 1% of LGO's net assets per year and a performance allocation equal to 20% of profits earned by LGO during each fiscal year, subject to a high-water mark. Each LGO investor bears its proportionate share of that compensation except when Merriman has agreed to waive or reduce any such amounts for an investor. In addition to the foregoing compensation payable to Merriman, third-party fund administration and audit expenses are paid out of LGO assets.

## Item 5 (cont.)

When managed account assets are invested in mutual funds or similar products, Merriman strives to select low-cost, no-load funds for its clients. All clients should be aware that mutual funds and ETFs generally charge their investors internal management fees and investment-related expenses incurred on their behalf. These fees can be found in the relevant mutual fund or ETF's prospectus, and generally are reflected in such mutual fund or ETF's reported performance information.

No part of the third-party fees and costs described above is received by Merriman or any of its employees.

See Item 12 for more information about how Merriman chooses and recommends broker-dealers for client transactions and evaluates the reasonableness of their charges.

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

In addition to the performance allocation from LGO described in Item 5, Merriman has negotiated performance-based fee arrangements (collectively "performance fees") for managed accounts in a limited number of cases for qualified clients. Merriman structures performance fees in accordance with Section 205(a)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") and the available exemptions thereunder, including the exemption set forth in Rule 205-3. The performance fees payable to Merriman for these accounts are based on both realized and unrealized gains and losses in each account.

Merriman manages performance-based fee accounts and LGO side-by-side with accounts not subject to performance fees. Because of this, Merriman faces certain conflicts of interest, including the incentive to allocate potentially more favorable investment opportunities to the accounts subject to the performance fees, because Merriman shares in the potentially superior performance of such investment opportunities.

To minimize these conflicts of interest, Merriman chooses to manage all accounts, including the performance-based fee accounts, using the same models for all accounts within a trading strategy. Additionally, Merriman has procedures in place to address such conflicts of interest with trade order allocations. For example, if an investment is not fully available for all accounts for which Merriman seeks to make the investment, the amount of available investment will be allocated to the relevant accounts pro rata, based on the amount of the order originally made for each account. Further, if block trades in such an investment are made at different prices, the investment will be allocated to all affected accounts on the basis of the average price for such trades. Investments made by LGO are chosen by the LGO portfolio manager, who does not direct trades for managed accounts.

## Item 7 Types of Clients

The majority of Merriman clients are individuals and households who are either saving money and planning for retirement or already retired. Merriman also manages some accounts for pension and profit-sharing plans, trusts, estates, charitable organizations, as well as corporations or other business entities.

Merriman requires a minimum initial investment of \$500,000 per household. Additional program- or account-level requirements are as follows:

**MarketWise:** no additional restrictions apply

**TrendWise:** \$200,000 minimum in each TrendWise100 account; \$200,000 minimum in each TrendWise80 account

**Leveraged Global Opportunity Fund:** \$250,000 minimum in the program, available only to investors who meet the eligibility requirements described in LGO's offering documents

Merriman, at its discretion, may reduce the foregoing minimum investment requirements. LGO eligibility requirements generally cannot be waived.

Most Merriman clients are individuals and households who are planning for retirement or are already retired

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

No investment is free of risks. Current and prospective Merriman clients are cautioned that investments in securities involve risk of loss, including the possibility of a complete loss of the amount invested. All investors should be prepared to bear these risks. One of Merriman's top priorities is to make sure clients understand the investment risks they choose to take and help them select investment strategies that are appropriate for their risk tolerance.

Investors should note that all Merriman-advised portfolios and LGO invest all or a substantial portion of their assets in mutual funds and ETFs. Investors are urged to consult the prospectus or other offering document of each such mutual fund or ETF for additional risks and other considerations.

### Core Investment Products

Merriman offers two main investment products for its clients: MarketWise, which generally remains fully invested; and TrendWise, which uses active risk management techniques to shift investments in stocks, bonds and potentially other asset classes to or from cash and potentially short-term Treasuries as market conditions change.

Each of these products seeks to achieve favorable long-term growth with less risk than other similar investment products. Merriman believes each product is suitable as a core holding for clients, and sometimes it is appropriate to incorporate both programs in a client's investment portfolio.

### MarketWise

MarketWise is based on sound academic research. The portfolios in this program are globally diversified in low-cost passive mutual funds, with a tilt to-

## Item 8 (cont.)

ward funds investing in value stocks and small-cap stocks. The mutual funds are chosen by Merriman's Director of Research and are subject to approval by Merriman's Investment Committee. The portfolios are not actively traded but are periodically rebalanced back to target allocations.

MarketWise is managed with the view that:

- Markets are generally efficient. Most active managers fall behind the indexes to which their strategies are compared, after fees and taxes, and it is very difficult to predict which few managers will outperform their indexes in the future.
- Careful allocation of investments across a wide variety of diverse asset classes and wide diversification within each asset class helps to increase return and reduce risk.
- Consistently overweighting value and small-cap stocks, which have historically had superior long-term returns, may increase portfolio returns over the long run.
- Because it is difficult to forecast market returns over the shorter term, it is better to invest with a longer-term perspective.
- Investors benefit from periodic rebalancing in order to maintain desired portfolio weights. This leads to trimming asset classes, which have done well, and buying more of those asset classes which have not done as well (selling high and buying low).

In general, each MarketWise account makes an allocation to both stocks and bonds, although accounts holding only stocks or only bonds may be possible in certain circumstances.

Since 1995, the stock allocations of MarketWise portfolios have been invested in no-load stock mutual funds managed by Dimensional Fund Advisors ("DFA"), available to individuals only through registered investment advisers such as Merriman. DFA stock portfolios are similar to index funds in that expenses and turnover tend to be low.

The stock exposure in MarketWise is generally divided evenly between U.S. and international stock markets (including emerging markets), with small-cap, mid-cap and large-cap funds, as well as U.S. and international real estate investment trusts ("REITs") in tax-deferred accounts.

Most MarketWise portfolios include investments in mutual funds that hold short-term and intermediate-term bonds to control risk. Tax-deferred accounts also include inflation-protected bond funds and may include GNMA mortgage-backed securities. In taxable accounts, Merriman seeks greater tax efficiency by using tax-managed stock funds and municipal bond funds.

The bond funds in clients' MarketWise portfolios are managed by DFA and Vanguard. Merriman believes both companies stand out for their low costs and for maximizing the value to their funds' investors. Merriman receives no compensation from either DFA or Vanguard.

MarketWise  
portfolios are  
generally fully  
invested



## Item 8 (cont.)

While Merriman makes extensive use of mutual funds from these two companies, regular consideration is given to other investment approaches, products and vendors. If, after sufficient due diligence, Merriman identifies what it considers a better alternative for clients, Merriman incorporates it into the appropriate client accounts.

MarketWise portfolios are generally fully invested, which exposes clients to the risk of market declines. MarketWise accounts can have different levels of exposure to stocks, and thus, different levels of risk. Each account is customized to a client's individual risk tolerance by adjusting the individual stock/bond allocation (e.g., 60% invested in stocks and 40% in bonds). Merriman periodically rebalances client accounts to maintain the agreed-upon target allocations.

MarketWise portfolios are subject to the following material risks:

*General Economic Conditions and Market Disruptions:* Prices of the securities in which the MarketWise portfolios invest may be volatile due to general economic conditions and market movements. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs; changing supply and demand relationships; political and economic conditions and changes in interest rates. In addition, adverse global financial conditions may reduce prices and liquidity of stock and debt securities and adversely affect their issuers.

*Liquidity in Financial Markets:* Adverse economic conditions may affect the financial markets in the United States and elsewhere and may reduce demand and liquidity in stock, credit and bond markets. Because the securities held by the MarketWise portfolios are marked to market and fluctuate in value based on supply and demand, this in turn could adversely affect the value of the portfolios' assets. If many mutual fund investors sought to redeem their shares at the same time, mutual fund companies could be forced to sell their investments at lower prices in order to meet redemption requests.

*Investments in Equity Securities:* In general, the value of equity securities or stocks, including those in which the DFA-managed mutual funds are expected to invest, is subject to market risk, including changes in economic conditions, growth rates, profits, interest rates and the market's perception of stocks. While offering greater potential for long-term growth, stocks are more volatile and more risky than some other investments.

*Investments in Small-Cap Companies:* Some DFA-managed funds held in MarketWise portfolios may invest in small-capitalization companies, which tend to be subject to less research and coverage than larger companies; may have more limited product lines, markets or financial resources than larger companies; may be more dependent on a few key members of management; and may issue securities that are more thinly traded; and, therefore, more subject to volatility and potential losses than the securi-

## Item 8 (cont.)

ties of larger companies.

*Investments in Mutual Funds and Other Investment Vehicles:* MarketWise portfolios may invest all of their assets in mutual funds, ETFs and other investment vehicles. As described above, such vehicles incur management and other fees and expenses related to their investment programs, as further described in the offering documents of such vehicles. These fees and expenses will reduce the returns achieved by the portfolios.

*Non-U.S. Investments:* Investments made through MarketWise portfolios in non-U.S. issuers or securities principally traded outside the United States may involve special risks due to economic, political and legal developments, including changes in currency exchange rates; exchange control regulations; expropriation of assets or nationalization; imposition of withholding taxes on dividends or interest payments and less comprehensive accounting reporting and disclosure requirements.

*Investments in Debt Securities:* Debt securities, or bonds, are subject to various types of risk, including:

- Interest-rate risk is the likelihood that bond prices will decline if interest rates rise. Merriman believes that MarketWise portfolios mitigate, but do not eliminate, interest-rate risk by avoiding long-term bonds, which are most sensitive to interest rate changes.
- Credit risk is the possibility that some issuers of bonds will default on all or part of their interest and principal obligations. Merriman believes credit risk can be mitigated, but not entirely eliminated, by investing some or all of the bond portion of the portfolio in obligations of the U.S. Treasury and U.S. agencies. Treasuries and government agency bonds are generally considered subject to less credit risk than most other bonds, but returns generally reflect that perceived credit risk (i.e., because those investments are viewed as safer, returns are generally lower). For some accounts, Merriman invests in municipal bonds, which generally have higher credit risk than Treasuries and government agency bonds, but Merriman does not invest in corporate debt for MarketWise accounts. Some Merriman accounts invest in municipal bonds; some invest in Treasuries and government agencies; and some invest in a mix of the foregoing. Those investments/mixes are based on Merriman's assessment of each account's investment objective and strategy and risk/reward characteristics.
- Prepayment risk is the risk that mortgage borrowers may prepay their loan more quickly when interest rates decline, and prepay at a slower pace when interest rates rise, leading to adverse changes in the average life of the asset. This is a risk associated with GNMA mortgage-backed securities.

## Item 8 (cont.)

TrendWise uses active risk management in an attempt to decrease losses in major bear markets

Merriman offers two variations of TrendWise to accommodate differences in risk tolerance among clients

### TrendWise

TrendWise uses active risk management through a trend-following strategy in an attempt to decrease losses in major bear markets. This program may be beneficial for clients who are especially anxious about the ups and downs of the markets; who have a history of liquidating investments at the wrong times; who believe in the benefits of trend following; or who prefer to diversify by investing in both active and passive risk-management strategies.

TrendWise portfolios may invest in ETFs, ETNs (Exchange Traded Notes) and mutual funds (excluding DFA funds) and employ a disciplined trend-following approach using proprietary computer models developed and maintained by Merriman's research team. These systems are applied to U.S. stocks, international stocks, bonds, real estate investment trusts (REITS) and potentially other asset classes such as commodities. Within each asset class, Merriman may invest in multiple funds, each of which is governed by an independent trend-following timing system.

When a trend-following system triggers a buy or sell signal, the purchase or sale is made and the funds are withdrawn from, or invested in, a money market fund or a short-term Treasury fund. Merriman investment personnel do not have authority to override or countermand these signals. Merriman's Director of Research is responsible for managing the investment and reinvestment of assets in TrendWise accounts.

Merriman offers two variations of TrendWise: TrendWise100, which has been used for Merriman portfolios since 1995; and TrendWise80, which was started in 2002.

When conditions warrant, TrendWise100 portfolios can be completely out of the market and fully invested in cash or short-term Treasuries. In TrendWise80 portfolios, Merriman always maintains some stock exposure, which allows a maximum of 80% of the stock portion to be out of the market and invested in cash or short-term Treasuries. This increases the risk of market losses as well as the potential for market gains, relative to TrendWise100. Twenty percent of the stock allocation of TrendWise80 is always invested in an asset class rotation strategy in which various asset classes are purchased and sold based on price momentum. That means, for example, that a TrendWise80 account which allocates 60% to stocks would always have at least 12% of its assets in stock funds (i.e., 20% of 60%).

The investment objective for each TrendWise portfolio is to attain a long-term return similar to that of the broad markets (without trend following) for a comparable allocation between stocks and bonds with less risk. Merriman believes that TrendWise80 provides a slightly higher risk-adjusted return than TrendWise100 over the long run. However, TrendWise100 may be a more suitable program for investors who want to be completely in cash or short-term Treasuries when stock markets are falling.

While TrendWise portfolios are designed to reduce long-term investment risk, no timing system eliminates risk, and in general none react quickly

## Item 8 (cont.)

enough to protect investors from a sudden, dramatic market decline. Because Merriman's timing systems follow trends instead of trying to predict them, short-term trading losses cannot be eliminated in TrendWise portfolios.

When prices of stock, bond and other asset class securities begin falling, there is always some lag time before Merriman's trend-following systems indicate assets should be sold. Thus, Merriman will rarely, if ever, sell TrendWise assets at the most advantageous prices. Likewise, when market prices begin rising, there is always some lag time before Merriman's systems indicate purchases should be made. Therefore, Merriman will rarely, if ever, buy TrendWise assets at the most advantageous prices.

As a result, it is common for parts of TrendWise portfolios to be negatively affected by short-term market volatility such as whipsaw trades. This can occur, for example, in the following sequence:

1. A fund's price falls enough for Merriman's trend-following system to trigger a sell signal;
2. The fund is sold and the proceeds are invested in cash or short-term Treasuries;
3. The fund's price begins rising; and
4. Merriman's trend-following system does not trigger a buy signal until the fund's price is higher than the price at the time of sale.

As a result, a TrendWise portfolio could end up holding fewer shares of a fund than it previously owned. Although such events are counterproductive in the short term, Merriman believes the systems are worthwhile in the long term. While Merriman's systems are designed to protect clients from major bear markets, there is no guarantee they will succeed. While Merriman adjusts the sensitivity of its systems to minimize "false alarms," it involves a tradeoff. Any system that is more sensitive will generate more short-term volatility and frustrations, while a less-sensitive system that avoids volatility may not react quickly enough to avert major market losses.

In addition to the material risks applicable to MarketWise portfolios set out above, TrendWise portfolios are subject to the following material risks:

*High-Yield Bonds:* TrendWise portfolios may invest in high-yield bonds, which are generally rated below investment grade or unrated and may be considered speculative. In general, issuers of high-yield bonds are particularly susceptible to adverse business, financial and economic conditions and are generally more highly leveraged and have fewer financial resources than issuers of investment-grade bonds. Any adverse economic development affecting an issuer of high-yield bonds may cause the issuer to be unable to make timely interest or principal payments. Accordingly, high-yield bond values are generally more susceptible to adverse economic developments and market disruptions than investment-grade bond values.



## Item 8 (cont.)

*Bank Loan Funds:* TrendWise may consider investing in bank loan funds, which may have substantial credit risk similar to high-yield bonds. Bank loan funds are generally more susceptible to adverse economic developments and market disruptions than investment-grade bond values.

*Build America Bonds:* TrendWise may consider investing in Build America Bonds (BABs) which are taxable, long-term bonds issued by municipalities. These bonds have the credit risk of the municipalities, substantial interest rate risk since they are long-term, and may be impacted by political decisions to implement new BABs programs or curtail current programs.

*Emerging Market Debt:* TrendWise may consider investing in emerging market debt, denominated either in U.S. dollars or local currency. Emerging market debt may be rated below investment grade or unrated and may be considered speculative. Emerging market debt will be influenced by economic and political factors specific to each country and region. Emerging market debt may be less liquid than other bonds during times of a financial crisis.

*Commodities:* TrendWise may consider using ETFs or ETNs to invest in gold, other commodities and commodity producers in an effort to offset the impacts of inflation on the portfolio. Investing in commodities involves a variety of risks, including potential price volatility, the shape of the forward demand curve for the commodity, supply and demand shocks, and the lack of perfect correlation with short and long-term inflation.

*Currency Carry:* TrendWise may contemplate investing in ETFs or ETNs which look to benefit from the carry trade of borrowing in a low interest rate currency and investing in a high interest rate currency. Adverse movements in currencies, interest rates and liquidity could decrease the price of these securities.

*Exchange Traded Notes (ETNs):* Unlike ETFs, ETNs depend on the credit risk of the issuer, which is typically a major financial institution. ETNs are structured as unsecured debt of the issuer. Any financial instability of the issuer may impact the price of the ETNs independent of the underlying asset class. If the issuer went bankrupt, ETN holders would become unsecured creditors of the issuer.

*Trend-Following Limitations:* Merriman's trend-following systems, which generate buy and sell decisions for the TrendWise portfolios, use historical information and analysis of current trends to determine when to buy and sell investments. Because past performance does not guarantee future results, there is no assurance that Merriman's trend-following systems will make favorable buy or sell decisions or protect clients from adverse consequences of significant or unprecedented market volatility or disruptions.

LGO is available only to qualified investors who have substantial assets

### Leveraged Global Opportunity Fund, L.P.

Leveraged Global Opportunity Fund is a Washington limited partnership intended only for sophisticated investors who are “accredited investors” and “qualified clients” under applicable securities laws. LGO’s investment objective is capital appreciation. It seeks to achieve this objective by investing in a wide range of assets, including domestic and international stocks, debt, currencies, options, commodities and futures, in an attempt to generate high returns. LGO may invest directly in these assets, but generally invests in them through mutual funds, ETFs, closed-end funds, exchange-traded notes and other types of investment vehicles. LGO may engage in frequent trading.

Merriman’s Director of Alternative Investments is the dedicated portfolio manager of LGO and is responsible for managing the investment and reinvestment of LGO’s assets on behalf of Merriman in its capacity as Investment Manager.

LGO is subject to the material risks applicable to MarketWise, and Trend-Wise portfolios set out above and to the following additional risks:

*Borrowing:* LGO may borrow money to leverage its investments. This magnifies the potential for both gains and losses, which may be substantial. Borrowing also adds to LGO’s expenses, which are paid by LGO investors.

*Assets Magnifying Exposure:* LGO may invest in assets that are designed to magnify the movements of a particular market segment. This, like borrowing, magnifies the potential for losses as well as gains.

*Assets with Inverse Correlations to Market Segments:* LGO may invest in assets that are designed to produce the opposite result of a particular market segment, producing returns that may vary significantly from market averages.

*Frequent Trading:* LGO may engage in frequent trading, which can, in turn, generate transaction-related costs and expenses, possibly including brokerage commissions that may reduce LGO’s return.

*Tax Considerations:* LGO’s investment program is not managed for tax efficiency. Frequent trading and high turnover can produce short-term capital gains that may reduce the overall after-tax performance achieved by investors.

LGO invests in Peer-to-Peer loans (“P2P”) that do not have readily available pricing so Merriman has adopted the following valuation process. The P2P loan portfolio is valued on a discount cash flow basis reflecting expected losses, voluntary prepayments, discount rates based on latest published risk-adjusted expected rates of return, and cure rates for non-current loans. The monthly rates of principal prepayment and loss timing are based on grade-level average principal balance vectors. Grade level loss rates are scaled to

## Item 8 (cont.)

reflect the expected loss rates at origination for each loan. For each credit grade, the appropriate discount rate is assumed to be the current loss-adjusted expected return for the same type of product further adjusted for the remaining duration of the loan. The Net Present Value of each non-current loan is scaled down by the Payment Status Multiplier reflecting the historical probability of returning to current status. Research and accounting departments independently follow a checklist for completing the valuation and creating the necessary accounting entries on a monthly basis for backup and control purposes. A valuation committee (consisting of Chief Compliance Officer, Director of Alternative Investments, and Director of Finance) has been formed to review the valuations, model adjustments, and discount rates on a regular basis.

The LGO P2P note investments are exposed to other risk factors. Default risk is the possibility that a borrower fails to make any payments on the corresponding borrower loan related to our note. Prepayment risk is the possibility that the borrower decides to pay some or all of the principal amount on a borrower loan earlier than originally scheduled. Liquidity risk is the possibility that the Note Trader platform, on which notes may be sold by lender members to other lender members, does not develop the necessary liquidity, in the event the fund elects to liquidate some portion of the loan portfolio, instead of awaiting loan maturity. Servicer risk is the possibility of the loan company not being able to service the notes due to exorbitant operating losses, contingent liability, or adverse regulatory events resulting in delays and increased costs in respect of the payments of our notes or inability to collect borrow repayments by the back-up servicer that the lending company has arranged.

LGO is available only to qualified investors who have substantial assets, are able to bear the risk of the loss of their entire investment, and who meet other requirements set by federal law and in LGO's subscription and organizational documents. Detailed information about LGO's investment strategy, additional risks and other relevant matters is included in LGO's offering documents.

## Item 9 Disciplinary Information

Like all other investment advisers, Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Merriman or the integrity of Merriman's management. No events have occurred at Merriman that are applicable to this item.

## Item 10 Other Financial Industry Activities and Affiliations

Merriman is part of the Focus Financial Partners, LLC ("Focus") network. As such, Merriman is a wholly-owned subsidiary of Focus Operating, LLC, which is a wholly-owned subsidiary of Focus. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the "Focus Partners"). The Focus

## Item 10 (cont.)

Partners provide wealth management, benefit and investment consulting services, serving individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADV Schedule Ds.

Merriman's clients are not solicited to invest in any other Focus Partners' advisory services, and generally Focus Partners do not recommend securities, services, or other investment products of other Focus partner firms, unless so disclosed on their respective Form ADVs and with the clients' informed consent, nor are any transactions executed through another Focus Partner's affiliated broker dealer. Further, the Focus Partners do not market their services or share client information amongst each other without prior client consent. Management of other Focus Partners are not involved in the management of Merriman.

A list of the related person investment advisers and broker dealers can be found on Merriman's Form ADV Part 1 Schedule D and additional information about Focus can be found at [www.focusfinancialpartners.com](http://www.focusfinancialpartners.com).

Merriman is not actively engaged in a business other than giving investment advice. However, Merriman does, at no additional cost to its clients, provide limited financial planning as described in Item 4. Neither Merriman nor any of its management persons is registered or has an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading adviser, or associated person of the foregoing, and Merriman does not anticipate such affiliations in the future.

As further described in Item 6, Merriman serves as the Investment Manager of LGO.

## Item 11 Code of Ethics

Merriman has a legal obligation to put clients' interests ahead of its own

As fiduciaries, Merriman and its employees have certain legal obligations to put clients' interests ahead of their own. Merriman has adopted a written code of ethics based on principles of openness, honesty, integrity and trust. At least once a year, each Merriman employee is required to acknowledge this code in writing and agree to be bound by it.

Merriman's code of ethics covers confidentiality of client information, personal securities transactions, restrictions on accepting and giving of significant gifts, and reporting of certain gifts and business entertainment items, among other things.

In rare cases, Merriman's business may provide Merriman and its employees with access to material nonpublic ("insider") information. The code includes a prohibition on insider trading and outlines strict policies that dictate how any such information is treated.

As described under Item 8, Merriman serves as the Investment Manager of LGO and solicits investment in that partnership from qualified clients when it reasonably believes those clients meet all of the qualifications for invest-



## Item 11 (cont.)

ment under applicable law and as set forth in LGO's subscription and organizational documents. Clients may invest in LGO only after the client's Advisor determines the investment is suitable for them and meets their investment objective. See Item 13 for more information regarding Merriman's Advisors.

Merriman employees may have investments in some securities that are also owned by clients. The code of ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Merriman will not interfere with making or implementing decisions in the best interest of clients, while at the same time allowing employees to invest for their own accounts.

Employee accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Merriman's obligation of best execution. In such circumstances, the employee and client accounts share commission costs proportionally and receive securities at a total average price. Merriman retains records of each trade order (specifying each participating account) and its allocation, prior to the entry of the aggregated order. Completed orders are allocated as specified in the initial trade order. Partially filled orders are allocated on a pro-rata basis based on the amount of the order for each account. Any exceptions will be explained on the trade order.

Investors should note that, because Merriman employees may invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. However, given the modest size of employee trades in relation to the size of the mutual funds and ETFs in client portfolios, Merriman believes that employee trading is unlikely to have any material impact on purchase or sales prices experienced by clients. Employees are not provided advance notice of LGO trades.

In addition, employees are required to report their trading activity quarterly and their securities holdings annually and these reports are reviewed internally.

The code of ethics designates certain classes of securities (including, without limitation, shares of open-end mutual funds) as exempt from reporting, based upon exemptions provided under applicable federal securities laws.

It is Merriman's policy that Merriman will not affect any principal or agency cross securities transactions for client accounts. Merriman will also not cause client accounts to enter into securities trades with each other. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is traded between an affiliated fund, such as LGO, and another client account.

An agency cross transaction is generally defined as a transaction in which

## Item 11 (cont.)

a person acts as an investment adviser in relation to a transaction in which the investment adviser acts as a broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise if an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. Neither of these circumstances applies to Merriman.

Merriman will provide a copy of its code of ethics to any actual or prospective client upon request to Merriman's Chief Compliance Officer, Stephanie Brown, at 1.800.423.4893 or [stephanie@merriman.com](mailto:stephanie@merriman.com).

## Item 12 Brokerage Practices

Merriman  
investment  
portfolios can be  
held at Charles  
Schwab or Fidelity

In seeking best execution through a broker-dealer on behalf of Merriman's clients, the determinative factor for Merriman is not the lowest possible cost, but whether the transaction represents the best qualitative execution. Merriman takes into consideration the full range of broker-dealer services, including historical relationship, reputation, financial strength, the value of any research provided, execution capability, commission rates and responsiveness. Merriman's best execution responsibility is qualified by the fact that the majority of securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close. In addition, Merriman diligently seeks favorable prices on ETF trades.

Merriman believes Charles Schwab & Co. Inc. ("Schwab") and Fidelity Investment Services ("Fidelity") are financially solid companies that provide reliable, quick, responsive and efficient brokerage and other services. Merriman believes both companies give Merriman clients low-cost access to the funds used in the portfolios, and they have demonstrated that they can handle complex trades accurately and are willing to resolve problems quickly and favorably for Merriman clients.

The accounts in Merriman's investment programs may be held at Schwab or Fidelity as follows:

**MarketWise:** the client may choose Schwab or Fidelity as the custodian

**TrendWise:** can be held only at Schwab, which provides a negotiated fee agreement to minimize trading costs in TrendWise accounts

Most of LGO's assets consist of investments in mutual funds, ETFs, exchange-traded notes and similar vehicles and instruments, which are custodied at Schwab. P2P notes are purchased through Prosper Marketplace, Inc. If LGO invests directly in other securities, it may effect such transactions through a variety of broker-dealers.

Merriman may recommend that clients establish brokerage accounts with Schwab to maintain custody of clients' assets and to effect trades for their accounts. Schwab provides Merriman with access to its institutional trading and operational services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisors such as Merriman on an unsolicited basis, and at no additional cost to Merriman or its clients, so long as a total of at least \$10 million of the advi-

## Item 12 (cont.)

sor's clients' assets are maintained in accounts at Schwab. These services are not otherwise contingent upon Merriman committing to Schwab any specific amount of business (including assets under custody or trading activity).

Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum initial investment. For Merriman's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions, transaction-related fees or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Merriman other products and services that benefit Merriman's business but may not directly benefit its clients' accounts. This is not a material consideration for Merriman when it recommends that a client utilize Schwab's services. Some of these other products and services assist Merriman in managing and administering clients' accounts. These include software and other technology 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 Merriman's fees from its clients' accounts; and assist with back-office functions, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of Merriman's accounts, including accounts not maintained at Schwab.

Schwab also makes available to Merriman other services intended to help Merriman manage and further develop its business enterprise. These services may include consulting; publications and conferences on practice management; information technology, business succession; regulatory compliance and marketing. In addition, Schwab may make available, arrange and pay for these types of services rendered to Merriman by independent third parties. Schwab 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 Merriman.

Dave Spratt, Chief Operating Officer of Merriman, serves on the Schwab Advisor Services Technology, Operations and Service Advisory Board (the "Board"). Merriman may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab") to maintain custody of the clients' assets and effect trades for their accounts. The Board consists of approximately 20 representatives of independent investment advisory firms who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services' services for independent investment advisory firms and their clients. Board members serve for two-year terms. Mr. Spratt's term ends 12/31/14. Board members enter nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include

## Item 12 (cont.)

Merriman is not affiliated with any broker-dealer

material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange and the NASDAQ stock market (symbol SCHW). The Board meets in person approximately twice per year and has periodic conference calls scheduled as needed. Board members are not compensated by Schwab for their service, but Schwab may pay for or reimburse Board members' travel, lodging, meals and other incidental expenses incurred in attending Board meetings.

While, as a fiduciary, Merriman endeavors to act in its clients' best interests, Merriman's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Merriman of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a conflict of interest. Ultimately, it is the client's decision to custody assets with Schwab. Merriman is independently owned and operated, and not affiliated with Schwab.

There is no corresponding commitment made by Merriman to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Merriman may at times participate in a soft dollar arrangement with Schwab through its Advisor Services division whereby Merriman agrees to increase client assets held at Schwab within a given timeframe. In exchange, Schwab may offer Merriman monetary assistance to use towards technology and research related expenses. In addition, from time to time Schwab may offer, on a limited-term basis, to reimburse transfer fees for Merriman clients who choose to move assets to Schwab. Merriman may be influenced by this commitment in recommending that clients establish brokerage accounts at Schwab.

Merriman believes that its clients do not pay more for investment transactions effected and assets maintained at Schwab as a result of a soft dollar arrangement. Merriman, consistent with its best execution obligation, negotiates transaction fee arrangements with Schwab that Merriman believes are beneficial to all of its clients. In addition, a substantial portion of trading activities undertaken by Merriman on behalf of its clients involves the purchase and sale of no-load mutual funds without corresponding transaction fees, which does not involve a best execution determination as to such investment transactions.

DFA, through its contractual relationship with CEG Worldwide, provides Merriman with partially or fully discounted rates for CEG's coaching and training services to Merriman employees on the subjects of employee business development and client relationship skills.

Under a previous arrangement between Schwab and Merriman, Schwab referred clients to Merriman for investment advisory services in exchange for referral fees. No new clients are being added under this arrangement, but



## Item 12 (cont.)

Merriman continues to pay referral fees for clients who were originally referred by Schwab under the arrangement. Merriman does not have any other client referral arrangements with any broker-dealers.

## Item 13 Review of Accounts

Merriman offers each client formal review meetings at least annually

### Review meetings

Merriman strives to review managed accounts regularly with clients, but there is no rigid schedule for doing so. Each client is assigned to an Advisor who is in charge of helping the client determine which program(s) to invest in, establishing a target allocation percentage and answering any questions the client may have about his or her specific financial situation. Merriman offers formal review meetings between each client and his or her Advisor at least annually and more often at each Advisor's discretion or upon a client's request.

Review meetings can take place in person, using web-based services, or over the telephone. While these meetings are important whenever a client's circumstances or needs change, Merriman encourages clients to make time for them even when clients believe there are no compelling reasons for a review.

Although there is no set agenda for these meetings, topics covered may include:

- changes to investment objectives, which are likely to evolve over time;
- long-term strategic financial targets, and how well they match up with the current asset allocation;
- the performance of each account in relation to appropriate benchmarks;
- retirement projections and distribution strategies;
- other assets not managed by Merriman; and
- any other financial questions a client may have.

### Account reviews as needed

Merriman performs a formal review of a client's account(s) at the time of the annual review meeting with the client.

In addition, each MarketWise account is reviewed whenever trades are needed to invest money or withdraw it on the client's behalf or when monitoring software indicates that a client's account has exceeded an allocation threshold and becomes out-of-balance from the target allocation. In these instances, the Advisor reviews the account's current allocation and will seek to trade in a way that brings the account closer to its target allocations.

TrendWise accounts are kept in balance with targets by the nature of the program management. TrendWise accounts are also reviewed whenever trades are needed to invest money or withdraw money (capital flows) on the client's behalf. In these instances, the account's current allocation is reviewed by the Trader and trades may be placed in a way that brings the account closer to its target allocations depending on the size of the capital flow and status of the proprietary timing models.

## Item 13 (cont.)

### Internal Merriman and LGO Meetings

Merriman's Investment Committee consists of the Chief Executive Officer, Director of Research, Director of Alternative Investments, Chief Operating Officer, and may also include key stakeholders. This committee meets, as necessary, to discuss major initiatives and proposed changes to Merriman's programs and to review research priorities.

The Director of Alternative Investments, Director of Research, and Research Analyst/Trader ("Alternative Investments Committee") meet weekly to discuss short-term tactics and long-term strategies for LGO; the Director of Alternative Investments is solely responsible for making investment decisions for LGO. Others may participate in this meeting as needed.

### Reporting

Merriman sends each client quarterly reports on managed-account performance and balances. In addition, clients receive regular monthly statements from their custodian(s) for the same accounts, showing account transactions and end-of-month holdings.

Investors in LGO receive tax information and audited annual financial information within 120 days of the end of the partnership's fiscal year, along with other information as set forth in LGO's offering documents and that Merriman determines to be necessary or appropriate.

Periodically Merriman may deliver personal financial information and other communications, notices and required disclosures to clients through electronic means, such as email or a secure web site. This delivery may include notification of the availability of such document(s) on a website which will constitute 'delivery'. Merriman asks clients with email addresses to keep this information current at all times by promptly notifying Merriman of any change in email address.

Merriman  
provides quarterly  
reports on account  
performance  
and balances

## Item 14 Client Referrals and Other Compensation

From time to time various investment professionals and firms may introduce their clients to Merriman and, in return, Merriman may pay such professionals and firms a referral fee. The person or firm making the referral (solicitor) provides each prospective client with a copy of this document along with a written disclosure of the terms of the solicitation arrangement between Merriman and the solicitor, including the compensation to be received by the solicitor from Merriman. This fee does not increase or decrease the management fee any client pays to Merriman. Merriman discloses the referral arrangement, if any, to the client and asks the client to acknowledge it in writing.

Please see Item 12 for additional information about Merriman's referral arrangement with Schwab, which is no longer in use for new clients.

DFA, through a web-based service, provides referrals of investor clients to Merriman. DFA makes such referrals to many investment advisors based on the geographic locations of the prospective clients. DFA does not pro-

## Item 14 (cont.)

vide help to Merriman in recruiting investor clients in any other way and does not receive compensation from Merriman for referrals.

Merriman asks its clients from time to time for referrals of potential new clients. No client receives any referral fee or other economic benefit in connection with any such referral.

Merriman may offer incentives for clients to increase assets under management by Merriman. These incentives may be offered to certain clients and not others, and may require a certain level of assets under management to be added within a specified timeframe. There is no future obligation for any individual to remain a client of Merriman for any period of time.

## Item 15 Custody

Merriman does  
not serve as  
custodian for  
client accounts

Merriman does not take possession of client money or securities, although Merriman generally has the authority to deduct its advisory fees from client accounts. Schwab and Fidelity serve as custodians for all client accounts, except annuities which are issued by insurance companies affiliated with AEGON.

At least quarterly, clients receive account statements from the custodians that hold and maintain their managed account assets. Trade confirmations are also provided to the client by the custodian after any trade is placed in an account. Clients are responsible for reviewing these custodial statements and trade confirmations and comparing them with the quarterly reports provided by Merriman. Merriman's reports may vary slightly from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Clients should contact Merriman immediately if any significant discrepancies or errors are discovered.

Schwab serves as the custodian for LGO, except for P2P notes, which are purchased through Prosper Marketplace, Inc. However, Merriman is deemed to have custody by virtue of its affiliation with LGO Fund G.P., LLC. Merriman complies with the custody rule provisions by having an annual audit of LGO and providing its investors with financial statements that have been audited by independent public accountants who are registered with and subject to regular inspection by the Public Company Accounting Oversight Board.

## Item 16 Investment Discretion

To establish an advisory relationship with Merriman, a prospective client is required to complete the firm's Investment Advisory Agreement and custodial account paperwork, giving Merriman limited authority to buy and sell securities on the client's behalf. Merriman trades only as necessary or appropriate to maintain the proper composition of a client's account. Merriman also initiates trades when clients add money; request withdrawals; pay fees; or need to change the asset allocation in their accounts. Merriman is not required to contact a client prior to placing trades in a client's accounts.

As described in Item 4, Merriman has discretionary authority over all man-

## **Item 16 (cont.)**

aged accounts and LGO. When it is operationally feasible, Merriman strives to accommodate clients' requests for restrictions on their accounts.

## **Item 17 Voting Client Securities**

Merriman does not vote proxies for securities owned by clients. Nor, as a matter of policy, does Merriman recommend how clients should vote their proxies.

A complete copy of Merriman's Proxy Policy is available upon request from Merriman's Chief Compliance Officer, Stephanie Brown, at 1.800.423.4893 or [stephanie@merriman.com](mailto:stephanie@merriman.com).

## **Item 18 Financial Information**

Merriman is not subject to nor affected by any financial condition that is reasonably likely to impair its ability to meet contractual and fiduciary commitments to clients. Merriman has not been the subject of a bankruptcy petition.





## Item 1 – Cover Page

### Colleen J. Lindstrom

#### Chief Executive Officer

Merriman

800 5<sup>th</sup> Avenue, Suite 2900

Seattle, WA 98104

1.800.423.4893

January 30, 2013

*This brochure supplement provides information about Colleen Lindstrom that supplements the Merriman Wealth Management, LLC brochure above. Please contact Stephanie Brown at 1.800.423.4893 if you did not receive a complete copy of Merriman's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Colleen Lindstrom is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

### Colleen J. Lindstrom, CPA

Year of birth: 1964

**Formal education after high school:** Bachelor of Arts from the University of Washington

#### **Business background:**

2010 to present: Chief Executive Officer – Merriman

2007 to 2010: Chief Financial Officer – Merriman

2007 to 2009: Chief Compliance Officer – Merriman

2006 to 2007: Representative, Shareholder & Officer – Merriman

2006 to 2009: Principal – Berkman Lindstrom Attest Services, LLC

1992 to 2006: CPA – Berkman Burgher Purdy & Lindstrom, PS

#### **Professional designations held:** CPA

*For an explanation of the minimum qualifications required for this designation, see page 36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Colleen Lindstrom. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Colleen Lindstrom is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Colleen Lindstrom may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Colleen Lindstrom does not provide financial advice directly to clients. Colleen is supervised by Merriman's Management Committee. To reach Merriman's Management Committee, contact Jeff Merriman-Cohen at 1.800.423.4893.



## Item 1 – Cover Page

### Dennis L. Tilley

#### Director of Alternative Investments

Merriman

800 5<sup>th</sup> Avenue, Suite 2900

Seattle, WA 98104

1.800.423.4893

January 30, 2013

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*Additional information about Dennis Tilley is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

### Dennis L. Tilley

Year of birth: 1964

#### Formal education after high school:

Bachelor of Science in Aeronautics & Astronautics from the University of Washington

Master of Science in Aeronautics & Astronautics from the University of Washington

Master of Science in Mechanical & Aerospace Engineering from Princeton University

#### Business background:

2008 to present: Director of Alternative Investments – Merriman

1999 to 2008: Director of Research – Merriman

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Dennis Tilley. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Dennis Tilley is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Dennis Tilley may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Dennis Tilley indirectly gives financial advice to clients by selecting the investments for our LGO portfolio. The selections and strategies are discussed weekly with Merriman's Alternative Investments Committee. Dennis is supervised by Colleen Lindstrom, Merriman's Chief Executive Officer, who can be reached at 1.800.423.4893.



## Item 1 – Cover Page

### Larry Katz

#### Director of Research

Merriman

800 5<sup>th</sup> Avenue, Suite 2900

Seattle, WA 98104

1.800.423.4893

January 30, 2013

*This brochure supplement provides information about Larry Katz that supplements the Merriman Wealth Management, LLC brochure above. Please contact Stephanie Brown at 1.800.423.4893 if you did not receive a complete copy of Merriman's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Larry Katz is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

### Larry Katz

**Year of birth:** 1958

#### **Formal education after high school:**

Bachelor of Arts in Economics from SUNY at Binghamton

Master of Business Administration in Finance from the University of Chicago

#### **Business background:**

2008 to present: Director of Research – Merriman

2007 to 2008: Senior Research Analyst – Merriman

2005 to 2007: Strategic Development – Washington Mutual

#### **Professional designations held:** CFA

*For an explanation of the minimum qualifications required for this designation, see page 35.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Larry Katz. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Larry Katz is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Larry Katz may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Larry Katz indirectly gives financial advice to clients by selecting investments for the TrendWise and MarketWise portfolios. All tactical investment decisions are reviewed by Dennis Tilley, Merriman's Director of Alternative Investments, who can be reached at 1.800.423.4893. Substantive changes in investment strategy are pre-approved by Merriman's Investment Committee.





## Item 1 – Cover Page

### David S. Spratt Chief Operating Officer

Merriman

800 5<sup>th</sup> Avenue, Suite 2900

Seattle, WA 98104

1.800.423.4893

January 30, 2013

*This brochure supplement provides information about David Spratt that supplements the Merriman Wealth Management, LLC brochure above. Please contact Stephanie Brown at 1.800.423.4893 if you did not receive a complete copy of Merriman's brochure or if you have any questions about the contents of this supplement.*

*Additional information about David Spratt is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

David S. Spratt

Year of birth: 1969

### Formal education after high school:

Bachelor of Arts in Business Administration from Washington State University

### Business background:

2012 to present: Chief Operating Officer – Merriman

2010 to 2012: Director of Portfolio and Data Operations – Merriman

2007 to 2010: Director of Operations and Client Services Manager – Merriman

2001 to 2007: Director of Portfolio, Chief Compliance Officer – Merriman

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of David Spratt. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. David Spratt is not actively engaged in any such activities.

## Item 5 – Additional Compensation

David Spratt may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

David Spratt manages the Advisor team but does not provide financial advice directly to clients. David is supervised by Colleen Lindstrom, Merriman's Chief Executive Officer, who can be reached at 1.800.423.4893.





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### Aaron M. Spencer

#### Advisor

Merriman

800 5<sup>th</sup> Avenue, Suite 2900

Seattle, WA 98104

1.800.423.4893

January 30, 2013

*This brochure supplement provides information about Aaron Spencer that supplements the Merriman Wealth Management, LLC brochure above. Please contact Stephanie Brown at 1.800.423.4893 if you did not receive a complete copy of Merriman's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Aaron Spencer is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

### Aaron M. Spencer, CFP®

Year of birth: 1977

#### Formal education after high school:

Bachelor of Arts in Economics from the University of Washington

Bachelor of Arts in German Language and Literature from the University of Washington

#### Business background:

2005 to present: Advisor – Merriman

1998 to 2005: Financial Specialist – U.S. Bancorp

#### Professional designations held: CFP®

*For an explanation of the minimum qualifications required for this designation, see pages 35-36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Aaron Spencer. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Aaron Spencer is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Aaron Spencer may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Aaron Spencer is supervised by David Spratt who periodically reviews suitability notes made by each Advisor in regards to appropriately allocating client accounts according to the client's perceived risk tolerance and investment goals. David is Merriman's Chief Operating Officer and can be reached at 1.800.423.4893.



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### Cheryl A. Curran

**Advisor**

**Merriman**

800 5<sup>th</sup> Avenue, Suite 2900

Seattle, WA 98104

1.800.423.4893

January 30, 2013

*This brochure supplement provides information about Cheryl Curran that supplements the Merriman Wealth Management, LLC brochure above. Please contact Stephanie Brown at 1.800.423.4893 if you did not receive a complete copy of Merriman's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Cheryl Curran is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

**Cheryl A. Curran, CFP®**

**Year of birth:** 1966

**Formal education after high school:** Bachelor of Arts in Economics from the University of Washington

**Business background:**

1993 to present: Advisor – Merriman

**Professional designations held:** CFP®

*For an explanation of the minimum qualifications required for this designation, see pages 35-36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Cheryl Curran. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Cheryl Curran is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Cheryl Curran may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Cheryl Curran is supervised by David Spratt who periodically reviews suitability notes made by each Advisor in regards to appropriately allocating client accounts according to the client's perceived risk tolerance and investment goals. David is Merriman's Chief Operating Officer and can be reached at 1.800.423.4893.



## Item 1 – Cover Page

### Eric R. Jonson

Advisor

Merriman

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1.800.423.4893

January 30, 2013

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*Additional information about Eric Jonson is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

Eric R. Jonson, CFP®

Year of birth: 1960

**Formal education after high school:** Bachelor of Arts in Business Administration from the University of Washington

### Business background:

2007 to present: Advisor – Merriman

2003 to 2007: Private Client Advisor – Charles Schwab & Co., Inc.

1999 to 2003: Branch Manager – Charles Schwab & Co., Inc.

1990 to 1999: Registered Representative & Financial Advisor – Charles Schwab & Co., Inc.

### Professional designations held: CFP®

*For an explanation of the minimum qualifications required for this designation, see pages 35-36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Eric Jonson. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Eric Jonson is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Eric Jonson may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Eric Jonson is supervised by David Spratt who periodically reviews suitability notes made by each Advisor in regards to appropriately allocating client accounts according to the client's perceived risk tolerance and investment goals. David is Merriman's Chief Operating Officer and can be reached at 1.800.423.4893.





## Item 1 – Cover Page

### Jeremy A. Burger

Advisor

Merriman

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1.800.423.4893

January 30, 2013

*This brochure supplement provides information about Jeremy Burger that supplements the Merriman Wealth Management, LLC brochure above. Please contact Stephanie Brown at 1.800.423.4893 if you did not receive a complete copy of Merriman's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Jeremy Burger is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

Jeremy A. Burger, CFA, CFP®

Year of birth: 1981

**Formal education after high school:** Bachelor of Arts in Business Administration, with a minor in Economics, from Seattle Pacific University

### **Business background:**

2007 to present: Advisor – Merriman

2004 to 2007: Investment and Financial Planning Analyst – Synergy Financial Management

2003 to 2007: Insurance Agent – Synergy Financial Services

**Professional designations held:** CFA, CFP®

*For an explanation of the minimum qualifications required for these designations, see pages 35-36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Jeremy Burger. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Jeremy Burger is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Jeremy Burger may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Jeremy Burger is supervised by David Spratt who periodically reviews suitability notes made by each Advisor in regards to appropriately allocating client accounts according to the client's perceived risk tolerance and investment goals. David is Merriman's Chief Operating Officer and can be reached at 1.800.423.4893.





## Item 1 – Cover Page

### Lowell Lombardini Parker

#### Advisor

#### Merriman

800 5<sup>th</sup> Avenue, Suite 2900

Seattle, WA 98104

1.800.423.4893

January 30, 2013

*This brochure supplement provides information about Lowell Lombardini Parker that supplements the Merriman Wealth Management, LLC brochure above. Please contact Stephanie Brown at 1.800.423.4893 if you did not receive a complete copy of Merriman's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Lowell Lombardini Parker is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

### Lowell Lombardini Parker, CFP®

Year of birth: 1982

**Formal education after high school:** Bachelor of Arts in Economics from the University of Washington

#### **Business background:**

2010 to present: Advisor – Merriman

2006 to 2010: Client Services Representative – Merriman

#### **Professional designations held:** CFP®

*For an explanation of the minimum qualifications required for this designation, see pages 35-36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Lowell Lombardini Parker. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Lowell Lombardini Parker is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Lowell Lombardini Parker may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Lowell Lombardini Parker is supervised by David Spratt who periodically reviews suitability notes made by each Advisor in regards to appropriately allocating client accounts according to the client's perceived risk tolerance and investment goals. David is Merriman's Chief Operating Officer and can be reached at 1.800.423.4893.



## Item 1 – Cover Page

### Mark E. Metcalf

#### Advisor

#### Merriman

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Seattle, WA 98104

1.800.423.4893

January 30, 2013

*This brochure supplement provides information about Mark Metcalf that supplements the Merriman Wealth Management, LLC brochure above. Please contact Stephanie Brown at 1.800.423.4893 if you did not receive a complete copy of Merriman's brochure or if you have any questions about the contents of this supplement.*

*Additional information about Mark Metcalf is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

### Mark E. Metcalf, CFP®

**Year of birth:** 1964

**Formal education after high school:** Bachelor of Arts in Business Administration from Eastern Washington University

#### **Business background:**

2006 to present: Advisor – Merriman

1991 to 2006: Investment Consultant – Charles Schwab & Co., Inc.

#### **Professional designations held:** CFP®

*For an explanation of the minimum qualifications required for this designation, see pages 35-36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Mark Metcalf. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Mark Metcalf is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Mark Metcalf may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Mark Metcalf is supervised by David Spratt who periodically reviews suitability notes made by each Advisor in regards to appropriately allocating client accounts according to the client's perceived risk tolerance and investment goals. David is Merriman's Chief Operating Officer and can be reached at 1.800.423.4893.



## Item 1 – Cover Page

### Paresh V. Kamdar

#### Advisor

#### Merriman

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Seattle, WA 98104

1.800.423.4893

January 30, 2013

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*Additional information about Paresh Kamdar is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

### Paresh V. Kamdar, CFP®

Year of birth: 1971

**Formal education after high school:** Bachelor of Arts in Finance from Indiana University

#### **Business background:**

2007 to present: Advisor – Merriman

2000 to 2007: Financial Consultant – Charles Schwab & Co., Inc.

1994 to 2000: Stock Broker – Olde Inc.

#### **Professional designations held:** CFP®

*For an explanation of the minimum qualifications required for this designation, see pages 35-36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Paresh Kamdar. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Paresh Kamdar is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Paresh Kamdar may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Paresh Kamdar is supervised by David Spratt who periodically reviews suitability notes made by each Advisor in regards to appropriately allocating client accounts according to the client's perceived risk tolerance and investment goals. David is Merriman's Chief Operating Officer and can be reached at 1.800.423.4893.





## Item 1 – Cover Page

### Phuc V. Dang

Advisor

Merriman

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1.800.423.4893

January 30, 2013

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*Additional information about Phuc Dang is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

Phuc V. Dang, CPA, CFP®

Year of birth: 1978

**Formal education after high school:** Bachelor of Arts in Business Administration from the University of Washington

### Business background:

2007 to present: Advisor – Merriman

2006 to October 2008: Accountant – Merriman

2003 to 2006: Accountant – Berkman Purdy & Lindstrom

2002 to 2003: Revenue Agent – Internal Revenue Service

**Professional designations held:** CFP®, CPA

*For an explanation of the minimum qualifications required for these designations, see pages 35-36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Phuc Dang. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Phuc Dang is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Phuc Dang may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Phuc Dang is supervised by David Spratt who periodically reviews suitability notes made by each Advisor in regards to appropriately allocating client accounts according to the client's perceived risk tolerance and investment goals. David is Merriman's Chief Operating Officer and can be reached at 1.800.423.4893.





## Item 1 – Cover Page

### Tyler D. Bartlett

Advisor

Merriman

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1.800.423.4893

January 30, 2013

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*Additional information about Tyler Bartlett is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

## Item 2 – Educational Background and Business Experience

Tyler D. Bartlett, ChFC®, CFP®

Year of birth: 1978

**Formal education after high school:** Bachelor of Arts in Business Administration from Seattle Pacific University

### Business background:

2006 to present: Advisor – Merriman

2004 to 2006: Wealth Planner – U.S. Trust Company

2001 to 2004: Financial Advisor – Pacific Capital Resource Group

1998 to 2001: Lead Financial Planning Analyst – Ameriprise

**Professional designations held:** ChFC®, CFP®

*For an explanation of the minimum qualifications required for these designations, see pages 35-36.*

## Item 3 – Disciplinary Information

Merriman is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client's evaluation of Tyler Bartlett. No events have occurred that are applicable to this item.

## Item 4 – Other Business Activities

Merriman is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Tyler Bartlett is not actively engaged in any such activities.

## Item 5 – Additional Compensation

Tyler Bartlett may directly or indirectly receive earn-out or other compensation from Focus Financial Partners, LLC, the parent company of Merriman.

## Item 6 – Supervision

Tyler Bartlett is supervised by David Spratt who periodically reviews suitability notes made by each Advisor in regards to appropriately allocating client accounts according to the client's perceived risk tolerance and investment goals. David is Merriman's Chief Operating Officer and can be reached at 1.800.423.4893.

## Professional Designation Qualifications

### Chartered Financial Analyst (CFA)

The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations which takes most candidates between two and five years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

*From CFAInstitute.org as of March 10, 2011*

### CERTIFIED FINANCIAL PLANNER™ (CFP®)

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

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

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

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

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

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and

- **Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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

*Rev 12/16/10 by the Certified Financial Planner Board of Standards, Inc.*

## **Certified Public Accountant (CPA)**

Certified Public Accountant (CPA) CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

*From AICPA, January 2011*

## **Chartered Financial Consultant® (ChFC®)**

Chartered Financial Consultants® must successfully complete eight courses on all aspects of financial planning from The American College, have at least three years of full-time business experience, and agree to comply with The American College Code of Ethics and Procedures. ChFC®s are required to earn 30 hours of continuing education credit every two years.

The Chartered Financial Consultant® (ChFC) designation program focuses on the comprehensive financial planning process as an organized way to collect and analyze information on a client's total financial situation; to identify and establish specific financial goals; and to formulate, implement, and monitor a comprehensive plan to achieve those goals.

*From The American College as of March 10, 2011*



*At Merriman we do everything we can to provide our clients with peace of mind. This privacy notice applies to all of our current and former customers who have shared their information with us through our website, workshops, or phone and in-person conversations. We know that you have entrusted your financial information to us and we are committed to safeguarding that private information.*

### Categories of information we collect

We collect your nonpublic personal information in a variety of ways depending on the level and type of services we provide to you. In order to offer the broadest range of services, we collect nonpublic personal information about you from applications, agreements, or other forms we provide and through your transactions with us and non-affiliated third parties that may assist us in processing your requested or authorized transactions.

### Categories of information we disclose

We may disclose nonpublic personal information about you that we receive from you on applications, agreements, or other forms, such as your name, address, social security number, assets, and income. In addition, we may disclose information about your transactions with us, our affiliates, or others, such as your account balance, payment history, and parties to transactions for the strict purpose of processing a transaction that you have requested or authorized.

### Categories of parties to whom we disclose information

We do not and will not sell your personal information to anyone at any time. We disclose non-public personal information about you to third parties that assist us in processing those transactions that you have either requested or authorized. These third parties may include custodian banks, broker-dealers, and other financial intermediaries.

### Confidentiality and security

We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information. These safeguards are reasonably designed to:

- ensure the security and confidentiality of customer records and information;
- protect against any anticipated threats or hazards to the security or integrity of customer records and information; and
- protect against unauthorized access to or use of customer records or information that could result in substantial harm or inconvenience to any customer.

If you have any questions or concerns with this notice, please feel free to contact Stephanie Brown, Chief Compliance Officer, at 1.800.423.4893 or [stephanie@merriman.com](mailto:stephanie@merriman.com). You can also send mail to:

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