

**Part 2A of Form ADV: *Firm Brochure***



**475 17<sup>th</sup> Street, Suite 570  
Denver, Colorado 80202**

**Telephone: (303) 292-9224**

**Fax: (303) 292-9226**

**Web Address: [www.wealth-manage.com](http://www.wealth-manage.com)**

**Email: [tez1@wealth-manage.com](mailto:tez1@wealth-manage.com)**

This brochure provides information about the qualifications and business practices of Wealth Management Consultants, Inc. If you have any questions about the content of this brochure, please contact us by phone at (303) 292-9224 or by email at [tez1@wealth-manage.com](mailto:tez1@wealth-manage.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

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

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## **Item 2: Material Changes**

Not Applicable

## **Item 3: Table of Contents**

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## **Item 4: Advisory Business**

### **▪ Firm Description and Principal Owner**

Wealth Management Consultants, Inc., (“WMC”) was founded in May 1993, and is registered with the SEC, with its principal place of business located in Colorado.

Thomas E. Zaneccchia is 100% owner.

### **▪ Types of Advisory Services**

WMC provides a broad range of financial and investment counseling services to individuals. Those counseling services include:

- Estate Planning
- Income Tax Planning
- Cash Planning
- Debt Management
- Compensation and Employee Benefit Review
- Investment Allocation
- Personal Insurance Planning

WMC also provides non-investment advisory services to privately held businesses on the following:

- Strategic Planning
- Business Planning
- Succession Planning
- Compensation and Employee Benefit Review
- Ownership Transition
- Dividend Policy
- Capital Structure

#### Financial Counseling Advice to Corporate Executives

Corporations may hire WMC to provide investment, tax, estate, employee benefit, insurance, cash management and other advice to their corporate executives for a fixed annual fee. The corporate reimbursement program dictates the fee to be paid to WMC.

#### Management and Business Consulting to Family Owned Businesses

WMC provides management and business consulting (non-investment advisory) services to family owned or closely held businesses. We consult on strategic planning, business planning, compensation and retirement planning, ownership transition planning, management succession planning, tax planning, dividend policy, capital structure and other non-investment advisory issues. There is no “financial plan” delivered for this service. The services provided are tailored to each specific management consulting engagement after we have met with the client.

### Solely Investment Management Services

WMC provides solely investment management services to some of its clients utilizing predominately no-load mutual funds or exchange traded funds (ETFs). Included in this service are an assessment of the client risk profile, asset allocation recommendations, specific implementation strategy and quarterly reporting on performance relative to appropriate indices and long-term investment return targets. No other traditional financial planning services (income tax planning, estate planning, insurance planning, etc.) are included with this service.

### Financial Planning Services

WMC provides traditional financial planning services to some of its clients. We charge an annual retainer for this service. The services provided to the client include the preparation of net worth statements, tax projections, financial security analyses and quarterly investment performance reports (regardless of whether WMC manages the investment assets). These services may be provided quarterly, semi-annually or annually, depending upon the complexity of the client and changes in their circumstances. Portions of the original financial plan created are periodically updated for these meetings. The service provided and the complexity of the client's situation will determine the annual fee retainer level into which the client is placed. This is established in the investment advisory contract before the client begins. In addition, hourly charges may apply for special projects provided as part of this service.

## **Item 5: Fees and Compensation**

### ▪ **Compensation for Advisory Services**

WMC has different fee structures for the various services we offer our clients.

#### Financial Counseling Advice to Corporate Executives

The corporate reimbursement program dictates this fee and WMC has no flexibility with it. Currently, WMC has this arrangement with one corporation. The fee, determined by the corporation, depends on the management level of the executive, but is either \$7,500 per year or \$11,500 per year. The Corporation has requested that we bill twice a year, in April and November.

#### Management and Business Consulting to Family Owned Businesses

WMC charges hourly or on a project basis determined by projected required hours for these services and generally sends a bill to the client on a quarterly basis, in arrears, for this service. The rate ranges from \$180 to \$495 per hour depending upon the staff individuals assigned to the consulting engagement. No investment advisory services are provided under this fee arrangement.

### Solely Investment Management Services

Fees range from .25% to no more than 1.0% of assets, generally with a minimum fee of \$19,200, depending upon the types of investments managed and whether additional financial planning services are included. While we have no minimum net worth requirements or minimum portfolio size requirements, the minimum fee is likely to preclude very small accounts from using WMC.

### Financial Planning Services

WMC charges an annual retainer for this service. This annual retainer is \$19,200 per year, billed quarterly, in arrears. The annual retainer covers a “base” amount of consultant hours per year, based upon rates ranging from \$180 to \$495 per hour. At the end of the year, to the extent that the client has used excess hours over the “base” amount, these excess hours are billed to the client at that time. This is established in the investment advisory contract before the client begins with us.

#### ▪ **Client Billing**

WMC traditionally does not withdraw or instruct a custodian to pay our fees from a client account. We prefer the client pay our fees directly. However, upon client request and authorization only, WMC will instruct a custodian to deduct our fees from the client’s account. This is done quarterly as a convenience to the client, and the client is then sent a copy of the bill detailing the fees paid from their account. All other clients are billed on a quarterly basis except for the one corporation that has asked to be billed twice a year, in April and November.

#### ▪ **Other Client Fees or Expenses**

In addition to the fees charged by WMC for its investment advisory services, certain investments recommended, including mutual funds, unit investment trusts or private investments, may incur additional management or transaction fees. The fees will vary depending upon the type of investment recommended, and these fees are described in each fund’s prospectus. Clients are responsible for the fees and expenses charged by custodians and brokers. WMC receives no portion of the additional fees paid. Please refer to the “Brokerage Practices” section (Item 12) for additional information.

#### ▪ **Billing and Client Termination of Services**

Clients are billed in arrears for WMC’s services. If a client decides to terminate their relationship with WMC, the client is billed pro-rata through the termination date.

#### ▪ **Compensation for Sale of Investment Products**

No employees or supervised persons of WMC accept compensation for the sale of securities or other investment products.

## **Item 6: Performance-Based Fees**

WMC does not charge or accept performance-based fees.

## **Item 7: Types of Clients**

WMC provides investment advisory services to the following types of clients:

- High net worth individuals
- Trusts
- Charitable organizations

WMC also provides non-investment advisory services to family owned or closely held businesses.

WMC has no minimum net worth or investment asset requirements, but our fee structure is likely to preclude very small accounts from working with us.

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

We take a fundamental analysis approach when analyzing securities. Equity mutual fund recommendations are developed with the objective of selecting a well-diversified fund with good historical performance and a level of volatility (risk) determined to be appropriate for each client. Selection is made from mutual funds and exchange traded funds ("ETFs") based upon data provided by Morningstar Investor Services or other performance surveys. We also base our analysis on information obtained from financial newspapers and magazines, professional research materials, annual reports, prospectuses, filings with the SEC, and company press releases. In using these outside sources, there is always a risk that our analysis may be flawed because of missing, inaccurate or misleading information.

We prepare an asset allocation for each client using asset allocation software. This allows us to identify an appropriate mix of cash, fixed income, equity funds, real property, private equity and low correlation assets for the client's target return and risk tolerance level.

WMC develops investment strategies based upon individual needs, goals and objectives developed in conjunction with the client. We emphasize a long-term view in the acquisition of a diversified portfolio of investments intended to provide a target after-tax, inflation-adjusted, economic return. We explain to our clients that investing in securities involves risk of loss that they must be prepared to bear.

Our investment strategies may include any of the following types of investments:



- Cash or near-cash instruments
- Corporate debt securities (other than commercial paper)
- Certificates of Deposit
- Municipal securities
- United States government securities
- Equity securities
- Warrants
- Investment company securities, Mutual Fund shares
- Options contracts on securities and commodities
- Futures contracts on tangibles
- Partnership interests investing in real estate, oil and gas interests, and private equity.

In addition to real estate, oil and gas interests or private equity, we may also recommend partnerships that allow individuals with low cost basis publicly traded stock to achieve diversification without recognizing taxable capital gains. These partnerships are typically offered by large brokerage firms and are commonly known as “Exchange Partnerships”.

While WMC believes that its investment program and research techniques mitigate risk through a careful selection of mutual funds, securities and other financial instruments, no assurance can be given that the investment program will be successful. A Client should be aware that it may lose all or part of its investment. While investments in mutual funds or companies in certain industries offer the opportunity for significant capital gains, such investments involve a high degree of business, financial, technological and regulatory risk which can result in substantial losses. Moreover, the investment portfolios may include investments particularly subject to increased risk because they are in companies at an early stage of development, which have been or may go into bankruptcy, acquired as leverage buyouts subject to interest rate fluctuations, or engaged in highly competitive industries dominated by companies with substantially greater resources. The stock market experiences volatility which affects the value of individual mutual funds and securities. As a result, a Client’s investment portfolio may experience substantial volatility and potential for loss.

WMC may invest via mutual funds or individual securities in bonds, notes or other fixed income securities, including, without limitation, commercial paper and “higher yielding” (and, therefore, higher risk) debt securities, when it believes that such securities offer opportunities for capital growth. Such securities may be below “investment grade” and face ongoing uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuers’ inability to meet timely interest and principal payments. The market values of certain of these lower rated debt securities tend to reflect individual corporate developments to a greater extent than do higher rated securities, which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are higher rated securities. Companies that issue such securities often are highly leveraged and may not have available to them more traditional methods of financing. It is likely that a major

economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities. Investing in securities involves risk of loss that Clients should be prepared to bear.

## **Item 9: Disciplinary Information**

WMC and its management have no legal or disciplinary events to disclose.

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

Branzan Investment Advisors, Inc. ("Branzan"), is the General Partner of Branzan Alternative Investment Fund, LLLP and Branzan Alternative Opportunities Fund, LLLP ("the Funds"). Thomas E. Zanecchia, the president of WMC, is also the vice-president and 50% owner of Branzan. Certain clients of WMC have invested in the Funds. This investment creates a conflict of interest. While the relationship with Branzan is disclosed, WMC takes the position that the independent and objective relationship with the client is paramount.

The Funds charge a management fee to investors. Because of the affiliation of WMC and Branzan, WMC clients who are invested in the Funds are not charged a management fee by WMC for those assets invested in the Branzan Funds.

WMC provides limited office space, computer equipment, office supplies and the occasional use of employees to Branzan on an ongoing basis. These services are billed to Branzan at cost by WMC.

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

WMC owes a fiduciary duty to its clients. Accordingly, WMC's officers, employees and independent contractors must avoid activities, interests and relationships that run contrary (or appear to run contrary) to the best interests of Clients. At all times, WMC must:

- ***Place Client interests ahead of WMC's*** – As a fiduciary, WMC must serve in its clients' best interests. In other words, WMC officers, employees and independent contractors may not benefit at the expense of advisory clients. This concept is particularly relevant when employees and independent contractors are making personal investments in individual securities traded by advisory clients.

- ***Engage in personal investing that is in full compliance with WMC's Code of Ethics*** – Officers, employees, and independent contractors must review and abide by WMC's Personal Securities Transaction and Insider Trading Policies, included in WMC's Code of Ethics. Each individual must acknowledge the receipt of and agreement to this Code of Ethics.
- ***Avoid taking advantage of its position*** – Officers, employees, and independent contractors must not accept investment opportunities, gifts or other gratuities from individuals seeking to conduct business with WMC, or on behalf of an advisory client.
- ***Maintain full compliance with Securities Laws*** – Officers, employees, and independent contractors must abide by the standards set forth in Rule 204A-1 under the Advisers Act.

WMC and its employees may from time to time invest in mutual funds and ETFs without prior approval. Any other marketable securities investments are made on terms identical to the client and only after the client's trades have been executed. Before placing the transaction for a marketable security, employees must receive written pre-clearance from the Chief Compliance Officer ("CCO") for all personal transactions (except for mutual funds, ETFs, money markets instruments, and real estate for personal use).

WMC requires its officers, employees and independent contractors to promptly report any violations of the Code of Ethics to the CCO. WMC's management is aware of the potential matters that may arise as a result of this requirement, and shall take action against any officer or employee seeking retaliation against another for reporting violations of the Code of Ethics. All reports of Code of Ethics violations will be treated as being made on an anonymous basis.

WMC has implemented remedial actions that are designed to discourage its officers, employees and independent contractors from violating the Personal Securities Transaction Policy. Officers, employees, and independent contractors should be aware that WMC reserves the right to impose varied sanctions on policy violators depending on the severity of the policy violation.

WMC will provide clients and prospective clients a copy of our Code of Ethics upon request.

## **Item 12: Brokerage Practices**

Generally, clients have an existing relationship with a broker. However, clients may request recommendations from WMC for potential brokers. WMC may recommend brokers known to it based upon such factors as the broker's reputation, performance, convenience to the client, commission rate or special expertise in an area (e.g., tax exempt securities). For most clients, we recommend Charles Schwab & Co. We have found their investment advisor services department to be very responsive to our various

client needs. We also find that the commission rates our clients pay at Charles Schwab & Co. to be fair and on par with or below industry norms. Charles Schwab & Co. releases quarterly information regarding their routing of orders and execution time, and we find them to be committed to providing best execution for our client trades. Annually, WMC meets with representatives from Charles Schwab & Co. to discuss the service received and best execution of our client's brokers.

We currently receive no soft dollar benefits, research, or other products from any broker-dealers in connection with client securities transactions.

WMC does not receive client referral incentives from any broker-dealers.

On occasion, a client may direct WMC to effect securities transactions in the client's account through a specific broker-dealer. This instruction is interpreted as a "directed brokerage arrangement". The client is responsible for negotiating the terms and arrangements for their account with that broker-dealer. As a result, WMC may not obtain best execution on behalf of the client, who may pay materially disparate commissions, greater spreads or other transaction costs, or receive less favorable net prices on transactions for the account than would otherwise be the case.

### **Item 13: Review of Accounts**

The frequency and nature of the reviews varies from client to client, depending upon the contractual arrangement, the client's request, the changing circumstances of the client's affairs and the level of assets currently held. A complete assessment of each client's accounts is reviewed at the discretion of the client's financial counselor, but no less often than every year. Generally, all matters relevant to the client's situation including income, balance sheet, state and federal income taxes, long-term cash flow projections and company benefits and compensation plans are reviewed.

Each counselor is required to provide the client with a quarterly performance report, unless the client requests it less often. These investment reports are provided to insure that the asset allocation and investment strategy are coordinated with the client's overall plan.

The client receives a written report each time a review is completed. The client typically receives monthly account activity statements from the custodian or the broker holding the client's funds. These custodians or brokers are not affiliated with WMC and WMC does not perform reviews of these monthly account activity statements.

## **Item 14: Client Referrals and Other Compensation**

WMC does not receive any economic benefits from someone who is not a client, and WMC does not compensate management or employees for client referrals.

## **Item 15: Custody**

We have no custody of client assets. Clients receive monthly (or quarterly) statements directly from the broker-dealer, bank or other qualified custodian. A related person of WMC, Branzan, has been deemed to have custody of client assets. Currently seven clients of WMC have invested in Branzan pooled investment vehicles. Those clients receive, in addition to monthly statements from a third party administrator and custodian, annual audited financial statements.

## **Item 16: Investment Discretion**

Typically WMC does not have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, broker or dealer to be used, or commission rates paid. WMC currently has discretion on one client account.

## **Item 17: Voting Client Securities**

WMC will not vote any proxies for any shares owned by any clients, other than on matters that would fundamentally change the company, such as mergers and acquisitions.

Any general or specific proxy voting guidelines provided by an advisory client or its designated agent in writing will supersede this policy. Clients may wish to have their proxies voted by an independent third party or other named fiduciary or agent, at the client's cost.

## **Item 18: Financial Information**

WMC is unaware of any financial condition that would impair its ability to meet contractual commitments to clients.

## **Item 19: Requirements for State-Registered Advisers**

WMC is registered with the Securities and Exchange Commission. It is not registered with any State Securities authority.

▪ **Principal Executive Officers and Management Persons**

**Thomas E. Zaneccchia**

Year of Birth: 1954

Education:

University of Virginia, Charlottesville, VA	BS Accounting	1976
University of Pennsylvania Wharton School, Philadelphia, PA	MBA Finance	1981

Business Background:

President, Wealth Management Consultants, Inc.	5/93 - Present
Vice-President, Branzan Investment Advisors, Inc.	5/02 - Present
President, Financial Counseling, Asset Management Group	8/81 – 5/93

**Mark E. Marquez**

Year of Birth: 1960

Education:

University of Colorado, Denver, CO	BS Finance	1985
University of Colorado, Denver, CO	Economics	1989

Business Background:

Wealth Management Consultants, Inc.	8/00 - Present
Ernst & Young, LLP	9/96 – 8/00
Asset Management Group	4/86 – 9/96

**Stephen D. Parsons**

Year of Birth: 1964

Education:

University Kansas	BSBA	1986
University of Colorado	MS Finance	1991

Business Background:

Wealth Management Consultants, Inc.	3/07 - Present
Zions Bancorp – Contango Capital Advisors	11/05 – 2/07
Asset Management Group	4/90 – 10/05

No WMC employees are compensated for advisory services with performance-based fees.

No WMC manager or employees have been awarded or found liable in an arbitration claim. No WMC manager or employees have been awarded or found liable in a civil, self-regulatory organization, or administrative proceeding.

