

Henley & Company Wealth Management, LLC

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WRAP FEE PROGRAM BROCHURE

FORM ADV PART 2A

APPENDIX 1

This Wrap Fee program brochure provides information about the qualifications and business practices of Henley & Company Wealth Management, LLC. Please contact Michael Laderer at (516) 794-5520 if you have any questions about the contents of this brochure. 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 Henley & Company Wealth Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Henley & Company Wealth Management, LLC is 144884.

Henley & Company Wealth Management, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last annual updating amendment dated February 13, 2013 there are no material changes to report.

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Item 4 Services, Fees and Compensation

Henley & Company Wealth Management, LLC is a registered investment adviser primarily based in Uniondale, New York. We also maintain a branch office in New York, NY. Our firm is organized as a limited liability company under the laws of the State of New York. We have been providing investment advisory services since 2007. Francis Patrick Gemino is our principal owner.

As used in this brochure, the words "we", "our" and "us" refer to Henley & Company Wealth Management, LLC and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person or Investment Adviser Representative throughout this brochure. As used in this brochure, our Associated Persons or Investment Adviser Representatives are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer the Henley Managed Solutions Program (the "Program"), a wrap-fee program, to prospective and existing advisory clients. A wrap-fee program is a type of investment program that provides clients with advisory services, investment management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total services. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program. Under the Program, Pershing, LLC, the account custodian, will act as paying agent on our behalf with respect to collecting advisory fee payments you make for participation in the Program.

To join the Program, you will enter into an investment advisory agreement with our firm and establish a brokerage account with Pershing.

Client Investment Process

Under the Program, we will assist you in determining the suitability of the Program based on information you provide our firm including risk tolerance, financial worth, income, and investment objectives. An Investment Adviser Representative ("Advisory Representative") of our firm will refer you to Lockwood Capital Management, Inc. ("LCM") who will manage your account directly. Your Advisory Representative will assist you in selecting first the product and second the investment style or model, which is suitable for your financial situation and personal circumstances, at inception and on an on-going basis. We will provide you with account opening paperwork, brokerage agreement(s), along with a copy of Lockwood's (or the Sponsor's in Managed Account Command) Form ADV Part 2, Appendix 1, or other equivalent disclosure brochure.

We will submit your financial information, investment objectives and account forms to LCM, Pershing and any other broker-dealer, as needed. LCM will review your information, and once approved, LCM will open an account for your Program assets. Assets are held in custody at Pershing, an affiliate of LCM. LCM also reviews the account opening paperwork to determine whether the selected strategy is suitable for your investment goals and objectives. At any time, LCM may request additional information to verify the previous information provided. After LCM reviews and approves the account for trading, you will be required to grant LCM investment discretion in the day-to-day management of your account. Subject to a grant of discretion, LCM may, change sub-managers or investment vehicles, revise asset allocations within strategies and discontinue certain strategies, and accept certain of the sub-managers' suggested securities. Discretionary management does not extend to the withdrawal or transfer of your account assets.

Once your account is established, we will monitor the performance of LCM on a continuous basis and we will make investment recommendations to you as necessary. Currently, we offer the following two options under the Program.

Lockwood Investment Strategies ("LIS")

LIS is a discretionary, multi-discipline managed account product housed in a single portfolio with five core models. The five (5) core models span the risk/return spectrum from current income model to growth model within the context of a diversified portfolio. You may also choose from four (4) additional models which include exposure to non-traditional asset classes. LCM, serving as the Portfolio Manager, determines asset allocation and selects both Sub-Managers and specific investment vehicles for each investment style based on its proprietary modeling strategies, as well as its macroeconomic outlook and investment discipline.

LCM selects a Sub-Manager or investment vehicle, such as an exchange-traded fund ("ETF") or mutual fund, for each investment style. When selected for inclusion within the program, each Sub-Manager electronically provides its model portfolio (buy-list) to LCM on a daily basis. An Overlay Manager combines each of the model portfolios into one Investment Strategies portfolio designed to perform and act similar to the target benchmark for the portfolio. The Overlay Manager gathers each of the portfolios and runs an optimization program that removes security overlap, minimizes tax implications, and creates better tracking to the target benchmark. When LCM selects investment vehicles for each investment style component of each of the portfolios, a number of factors are evaluated. Not only must the vehicle stand on its own investment merits, but it also must fit within the overall strategy. The amount allocated to an investment style component may determine which instrument may be used to manage that portion of the portfolio. An instrument such as a mutual fund or ETF may be utilized to allow broad market exposure to be achieved for lower dollar values. A basket of individual securities supplied by a Sub-Manager may be used for allocations where LCM seeks active management exposure. LCM reviews Sub-Manager and investment vehicle combinations to determine the most effective combination of investments to satisfy the goals of the portfolio. LCM also pays considerable attention to fees, liquidity, investment minimums, and operational issues as they pertain to the implementation and inclusion of investment vehicles and Sub-Managers in the portfolios.

LCM offers a series of strategies limited to traditional asset classes only (Traditional) and a series of Strategies that include traditional and alternative investment asset classes (Alternative) for implementation.

Traditional Strategies:

LCM offers five (5) diversified, discretionary, investment portfolios that include allocations to traditional asset classes including, but not limited to US Fixed Income, US Large-Cap Equity, US Small-Cap Equity, US Mid-Cap Equity, International Equity and REITs.

The asset classes represented within the investment portfolios are comprised of:

Fixed Income: LCM employs a broad-based, passive approach for its fixed income allocation, represented by the Lehman Aggregate Bond Index, which has exposure to a diversified mix of corporate and government bonds. As market opportunities warrant, LCM may combine a core allocation to the Lehman Aggregate Bond Index with satellite allocations to various segments of the fixed income market.

US Large-Cap Equity: Due to market efficiencies, LCM takes a passive approach to the large-cap equity market, focusing on low-cost, broad-based investment vehicles, represented by the S&P 500 Index and the Russell 1000 Index. As market conditions warrant, LCM may overweight the large cap allocation to the growth or value style.

US Small-Cap and Mid-Cap Equity: LCM generally employs an active approach in its allocation to small-cap and mid-cap stocks. This segment of the market, represented by the Russell 2000 Index and the Russell 2500 Index, is inherently more volatile than its large-cap counterpart and, therefore, often carries a lesser weight than the large-cap portion.

International Equity: LCM generally employs an active approach in its allocation to international equity. The MSCI EAFE Index represents this asset class. The international allocation is incorporated for both diversification and capital appreciation potential. The asset class as a whole has a relatively low correlation to domestic equity over time and, therefore, may help diversify the portfolio while providing potential for growth. As market opportunity warrants, LCM may include allocations to other international sub-asset classes, such as Emerging Markets and International Small-Cap Equity.

REITs: LCM employs a passive approach in its allocation to Real Estate Investment Trusts (REITs). The asset class is represented by the NAREIT-Equity Index, which has had a low correlation to the stock and bond markets. The allocation is intended to lessen overall portfolio volatility and provide income via its dividend yield.

The Traditional Strategies models, representing various levels of expected risk and return, offered within LIS are:

- Model I: Current Income
- Model II: Growth & Income
- Model III: Conservative Growth
- Model IV: Moderate Growth
- Model V: Growth

Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with 100% of the model allocated to equities.

Using a long-term, strategic approach to its asset allocation methodology, LCM shifts its models from time to time based on macroeconomic models and changing investment fundamentals. Additionally, LCM tends to make relatively small adjustments within its allocation models, rather than making significant shifts between asset classes, which may further reduce the volatility of the portfolios. The decision to increase or reduce exposure to an asset class is driven by secular changes to key economic and market-related factors, which may include shifts in absolute and relative valuations, expected earnings growth, or the impact of changing interest rates.

Alternative Strategies:

LCM also offers four (4) diversified, discretionary, investment portfolios that include allocations to the alternative investment asset class, with the expectation of offering comparable to slightly reduced returns with less volatility than the Traditional Strategies. Based on proprietary research, LCM has defined the alternative investment class to include the following asset classes: convertible arbitrage, distressed securities, equity hedge, equity market neutral, event-driven, fund-of-funds, merger arbitrage, macro strategies and commodities. LCM employs a fundamental valuation approach and employs a proprietary five-factor model to generate expected returns, risk and correlation for the traditional asset classes it includes in its investment strategies. A similar approach is employed to determine risks and correlations, and set return requirements for including the alternative asset class in the asset allocation decision. The following issues are among those considered for alternative assets: 1.) expected compensation for potential illiquidity, 2.) transparency and pricing of underlying securities, 3.) implementation costs/fees, and 4.) the use of leverage.

The core asset allocation models offered within the LIS Alternative Strategies are:

- Alternative Model II: Growth & Income
- Alternative Model III: Conservative Growth
- Alternative Model IV: Moderate Growth
- Alternative Model V: Growth

Lockwood Asset Allocation Portfolios ("LAAP")

LAAP is a discretionary, multi-discipline managed account product housed in a single portfolio. LCM, serving as the Portfolio Manager, determines asset allocation strategy and selects investment vehicles for each investment style component of the portfolios, based upon proprietary modeling strategies, macroeconomic outlook and investment research discipline.

The five (5) LAAP models are:

- Model I: Current Income
- Model II: Growth & Income
- Model III: Conservative Growth
- Model IV: Moderate Growth
- Model V: Growth

Model I is the most conservative model, with the majority of the model allocated to fixed income and the balance to equities; Model V is the most aggressive model, with 100% of the model allocated to equities.

These portfolios may consist of open and closed-end mutual funds, exchange-traded funds and other types of securities, as determined by LCM, in its sole discretion. The securities currently employed in the LAAP portfolios are described in LCM's Form ADV Appendix 1 Wrap Brochure and are subject to change at LCM's sole discretion.

Changes in Your Financial Circumstances

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. Furthermore, unless you indicate to the contrary, we shall assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives. Moreover, it remains your absolute responsibility to promptly notify us if there are ever any changes in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

Fees and Expenses of the Program

For participation in the Program, you will pay a quarterly fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Fees will be assessed pro rata in the event the client agreement is executed at any time other than the first day of a calendar quarter. Our annualized fee schedule, subject to negotiation, is as follows:

Portfolio Size	Annualized Fee
Up to \$1,000,000	1.50%
Over \$1,000,000	1.00%

The above "wrap-fee" includes all advisory and brokerage costs (including transaction costs), quarterly performance reports, third party custodial fees, exchange fees and transfer taxes.

We may allow accounts of members of the same household to be aggregated for purposes of meeting the minimum account size or fee breakpoints. We may allow such aggregation, for example, where we service accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts.

Either party, upon 30-days' written notice to the other, may terminate the client agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees, based on the number of days in the quarter for which you are a client.

Upon termination, you become responsible for monitoring your own asset and our firm has no further obligation to act upon or to provide advice with respect to those assets.

Wrap Fee Program Disclosures

- The benefits under a wrap fee program depend, in part, upon the size of the Account, the management fee charged and the number of transactions likely to be generated in the Account. For example, a wrap fee program may not be suitable for Accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.
- In considering the investment programs described in this brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers.
- Our firm and Representatives receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or the Representative would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and our Representatives have a financial incentive to recommend the Program.
- Similar advisory services may be available from other registered investment advisers for lower fees.

Mutual Fund Charges

Investment vehicles used in LIS and/or LAAP may include mutual funds. The Program Fees for LIS and LAAP respectively do not include fees or expenses which may be associated with individual mutual funds, including, but not limited to, redemption fees, 12b-1 fees, expense ratios or other applicable regulatory fees. LCM's affiliates, Pershing LLC and Pershing Advisor Solutions LLC, may receive fees from certain mutual fund families whose funds are employed in LIS and/or LAAP.

Additional Fees And Expenses

The Program Fee includes the costs of brokerage commissions for transactions executed through Pershing as the account custodian (or another broker-dealer designated as the custodian), and charges relating to the settlement, clearance, or custody of securities in the account. The Program Fee does not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through the qualified custodian, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The account will be responsible for these additional fees and expenses.

With respect to LIS and/or LAAP portfolios which include mutual funds, a mutual fund selling agreement must be executed between the specific mutual fund company and the broker-dealer on your account. These products may cost you more or less than purchasing similar services separately, assuming the services could be purchased directly from the various providers thereof. LCM fees may be negotiable at the discretion of, and within the means of, LCM.

Investment or Brokerage Discretion

LCM may change the style allocation, Sub-Managers or investment vehicles used to manage a portion of your portfolio without receiving signed instructions from you in each case. In the event an asset allocation change occurs, LCM rebalances the portfolio accordingly. During the life of the portfolio, LCM may change the investment vehicles used within the portfolio to attempt to achieve more effective tracking to an index, or make an allocation to a specific sector or characteristic, such as International Small-Cap, or Real Estate Investment Trusts (REITs) or fixed income duration.

Brokerage Practices

If you participate in the Program, you will be required to establish and account with LCM, and Pershing, LLC ("Pershing") as the account custodian. We believe that LCM and Pershing provide quality execution services based on several factors, including but not limited to the ability to provide professional services, reputation, experience and financial stability.

We may receive from LCM, Pershing, and/or a mutual fund company, without cost (or at a discount) support services and/or products, certain of which assist our firm in better monitoring and servicing your accounts maintained at such institutions. These benefits may include: investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by our firm in furtherance of our investment advisory business operations.

Certain of the support services and/or products that we may receive may assist our firm in managing and administering your account(s). Others do not directly provide such assistance, but rather assist our firm in the management and further development of our business enterprise. There is no corresponding commitment made by our firm to LCM, Pershing, 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.

Brokerage For Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Additional Compensation

Associated Persons of our firm may be registered representatives of Henley & Company LLC, an affiliated broker-dealer and may also be separately licensed as insurance agents. In their capacity as insurance agents and registered representatives, these individuals can effect transactions in insurance products and securities for you and earn separate commission-based compensation and/or 12b-1 fees for these activities outside of the Program. Refer to the *Additional Information* section below for additional disclosures on this topic.

Item 5 Account Requirements and Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

The minimum initial investment for LIS and LAAP are \$250,000 and \$25,000, respectively.

Item 6 Portfolio Manager Selection and Evaluation

We select and review portfolio managers (Lockwood Capital Management, Inc.) based on a due diligence review of the manager which includes a review of the manager's disclosure brochure, strategies, investment philosophy, interviews with the manager and a review of the managers historical performance. We would recommend that Lockwood be replaced as portfolio manager in the event Lockwood's performance was not acceptable.

Pershing reviews performance information provided by managers in the Program, by conducting a pricing review and market value comparison and validation of the accuracy of performance on a daily, weekly and monthly basis. For certain options, underlying managers provide performance information which is neither reviewed nor calculated by any third party. In those circumstances, performance information may not be calculated on uniform and consistent basis.

Item 7 Client Information Provided to Portfolio Managers

As required, in order to provide the Program services, we will provide your private information to Lockwood Capital Management and Pershing including your financial information, investment objectives and account forms as needed. In the event you provide us with updated information, we will share this information with Lockwood/Pershing. We may also provide your private information to mutual fund companies and/or private managers. We will only share the information necessary in order to carry out our obligations to you in servicing your account. We share your personal account data in accordance with our privacy policy as described below.

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of our privacy notice to you on an annual basis. Please contact us at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Item 8 Client Contact with Portfolio Managers

Generally you will not have any direct contact with Lockwood. Without restriction, you are encouraged to contact our firm and/or your Advisory Representative with respect to management of your Program account.

Item 9 Additional Information

Disciplinary Information

Neither our firm nor any of our management persons have any legal or disciplinary events which are required to be disclosed in this Brochure Appendix.

Other Financial Industry Activities and Affiliations

We are under common control and ownership with Henley & Company LLC, a securities broker dealer and member FINRA, SIPC and MSRB. Associated Persons of our firm may also be licensed as registered representatives to sell securities through Henley & Company, LLC. In their separate capacity as registered representatives, these individuals may be involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds. In their capacity as registered representatives, these individuals may earn commissions and /or 12b-1 fees in accounts outside the program. This presents a conflict of interest because we may have an incentive to recommend securities products to you for the purpose of generating commissions. We have adopted a policy that clients will not be charged brokerage commissions on transactions in advisory accounts with the exception of initial public/syndicate offerings where the commission is built into the offering price by the issuer/syndicate.

Associated Persons of our firm may also be separately licensed as independent insurance agents. In this capacity, these individuals can effect transactions in insurance products for you and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by these individuals for insurance related activities. This presents a conflict of interest because we may have an incentive to recommend insurance products to you for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that are purchased for your account. A conflict of interest exists in such cases because we may have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor any of our Associated Persons shall have priority over your account in the purchase or sale of securities for which we have knowledge.

Reviews of Accounts

Frank Gemino will monitor the performance of your account on an ongoing basis and will make recommendations to you on asset allocation as necessary.

We will provide clients with a quarterly performance report (prepared by Pershing), including a summary of account activity and account holdings, on as needed basis and/or upon request of a client.

Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Financial Information

We are not required to provide a balance sheet or other financial information to our clients, because we do not require the prepayment of fees in excess of \$1200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Proxy Voting/Class Action Lawsuits

We will not vote proxies on behalf of your advisory accounts. If you own shares of applicable securities, you may elect to vote proxies or proxies will be voted by underlying managers.

If you elect to vote proxies, in most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.