

# Ann T. Coffey Wealth Management LLC d/b/a Coffey Private Wealth Management Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Ann T. Coffey Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (713) 333-8900 or by email at: [ann@coffeyprivatewealth.com](mailto:ann@coffeyprivatewealth.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 Ann T. Coffey Wealth Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Ann T. Coffey Wealth Management LLC's CRD number is: 160423

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Registration does not imply a certain level of skill or training.



## Item 2: Material Changes

Ann T. Coffey Wealth Management LLC (CPWM) has filed an updated version of the Form ADV Part 2A. This amends the version filed on September 19, 2013

There are no material changes to report. However, there are a number of informational changes contained within the following sections of this Form ADV Part 2A:

ITEM 4 B: CPWM has updated the information regarding Types of Advisory Services

ITEM 4 E. CPWM has updated the information regarding Assets Under Management.

ITEM 8 B: CPWM has updated the information regarding Risks of Investment Strategies

ITEM 8 C: CPWM has updated the information regarding Risks of Specific Securities Utilized

ITEM 10 C: CPWM has updated the information regarding Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

ITEM 10 D: CPWM has updated the information concerning Selection of Other Advisers

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Ann T. Coffey Wealth Management LLC is a Limited Liability Company organized in the state of Nevada. The firm was formed in August of 2012, and the principal owner is Ann T. Coffey.

### B. Types of Advisory Services

Ann T. Coffey Wealth Management LLC, doing business as Coffey Private Wealth Management (hereinafter “CPWM”) offers the following services to advisory clients:

#### **Investment Supervisory Services**

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

- Development of Investment Policy
- Development Investment strategy
- Asset Allocation strategy
- Asset selection
- Risk Tolerance identification
- Regular portfolio monitoring

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

#### **Financial Planning**

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

#### **Selection of Other Advisers**

CPWM may direct clients to third party money managers and will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between CPWM and each third party adviser. The fees shared will not exceed any limit

imposed by any regulatory agency. The third party manager will be determined based on the client's investment goals, time horizon, risk tolerance, and investment objectives.

### **Services Limited to Specific Types of Investments**

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

### **C. Client Tailored Services and Client Imposed Restrictions**

CPWM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client financial planning needs and the strategies developed within the Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

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

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. CPWM does not participate in any wrap fee programs.

### **E. Amounts Under Management**

CPWM has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-Discretionary Amounts:</b>	<b>Date Calculated:</b>
\$113,065,951	\$0	March 31, 2014

## Item 5: Fees and Compensation

### A. Fee Schedule

#### Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
First \$1,000,000	1.25%
\$1,000,001 - \$3,000,000	1.00%
\$3,000,001 - \$5,000,000	0.80%
\$5,000,001 - \$10,000,000	0.70%
\$10,000,001 - \$25,000,000	0.60%
\$25,000,001 - \$50,000,000	0.50%
Above \$50,000,000	Negotiable

These fees are negotiable depending upon the needs of the client, complexity of the client needs and the total relationship. The final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid monthly in arrears, and clients may terminate their contracts with sixty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

#### Selection of Other Advisers Fees

CPWM may direct clients to third party money managers and will be compensated via a fee share from the advisors to which it directs those clients. This relationship will be disclosed in each contract between CPWM and each third party adviser. The fees shared will not exceed any limit imposed by any regulatory agency. The third party manager will be determined based on the client's investment goals, time horizon, risk tolerance, and investment objectives. Depending on the third party money manager, fees are paid quarterly in advance or in arrears, and clients may terminate their contracts with written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients should review the third party money manager's ADV Part 2A brochure document for more information regarding the collection of fees.

## **Financial Planning Fees**

### **Fixed Fees**

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$5,000. Fees are paid in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

The fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

### **B. Payment of Fees**

#### **Payment of Investment Supervisory Fees**

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly in arrears.

Advisory fees may also be invoiced and billed directly to the client monthly in arrears. Clients may select the method in which they are billed.

#### **Payment of Financial Planning Fees**

Fixed Financial Planning fees are paid via check in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

### **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CPWM. Please see Item 12 of this brochure regarding broker/custodian.

### **D. Prepayment of Fees**

CPWM collects fees in advance and in arrears. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via mailed check.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither CPWM nor its supervised persons accepts any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

CPWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

CPWM provides investment advice and/or management supervisory services to the following types of clients:

- ❖ High-Net-Worth Individuals
- ❖ Trusts and Estates
- ❖ Foundations and Charitable Organizations
- ❖ Corporations or other businesses

### **Minimum Account Size**

There is an account minimum of \$1,000,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the client situation.

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

### **A. Methods of Analysis and Investment Strategies**

#### **Methods of Analysis**

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. It concentrates on factors that seek to determine a company's value and expected future earnings. This type of analysis would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. A risk assumed in these cases is that the market price of the security will fail to reach expectations of perceived value.

Security recommendations will not be limited to those screened based on fundamental analysis alone. Analysis of a particular investment for possible inclusion in a client portfolio involves consideration of risks (volatility, marketability (or resale), liquidity, capital loss) and rewards (potential for return or cash flow/ income). Other factors, such as correlation with other clients assets and suitability toward client strategic and/ or tactical objectives are also critically important in the analysis and evaluation of a possible investment for a client portfolio.

#### **Investment Strategies**

CPWM uses may use long term trading and short term trading strategies.

**The future value and performance of securities is neither assured nor guaranteed. Upon investing in securities, you as a client should be prepared to bear the risk of price volatility, capital loss or different-than-expected cash flow from investment in any given security.**

## **B. Material Risks Involved**

### **Methods of Analysis**

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

### **Investment Strategies**

Long term investment strategies are designed to capture market rates of both return and risk. They can expose clients to opportunities and risks that may surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading strategies also involve liquidity, economic stability and inflation risks, but generally hold greater risk than that which is expected for longer term investments. Clients should be aware that there may be a greater material risk of loss using short term or other aggressive trading strategies. Frequent trading, can affect investment performance, particularly through increased brokerage or other transaction costs. Frequent trading can also generate higher costs of taxes, as short term tax rates are generally higher than those assessed on gains on investments held for longer terms. Individual client tax situations are consulted in determining the suitability and impact of trading strategies on total portfolio performance and risk.

Investment strategies that involve leverage, such as those employed through the use of margin accounts or through investment in derivative securities, may also magnify the effects of risk and reward. They may increase portfolio volatility and/ or a greater risk of capital loss. CPWM will consider client investment objectives and risk tolerances before recommending any strategy involving the use of leverage.

**The future value and performance of securities is neither assured nor guaranteed. Upon investing in securities, you as a client should be prepared to bear the risk of price volatility, capital loss or different-than-expected cash flow from investment in any given security.**

## **C. Risks of Specific Securities Utilized**

CPWM seeks to design investment strategies which capture the risks and returns suitable for each client as described in the client Investment Policy Statement. Security selection is one component of design and implementation of an investment strategy. CPWM generally seeks securities that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. Several types of securities CPWM may recommend for client portfolios are briefly described below.

**Equity** investment generally refers to buying shares of stock representing a portion of ownership in a company in return for receiving a future payment of dividends and, if the market price of the shares of stock increases, capital gains. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss. Many factors influence the value of company shares, including company specific successes or failures, competition of other firms and broad market conditions. Shareholders can lose up to the amount of all principal invested, but are not responsible for meeting other financial obligations of the company in which they have invested). Equity investments are not guaranteed by the FDIC or any government agency.

**Fixed Income** refers to investments that promise or guarantees (generally) fixed future periodic payments. While many perceive fixed income investments to carry less risk than equity investments, they still carry the risk of capital loss (sometimes as much as 100% in the event of a complete default). They may introduce additional economic risk, as well, such as inflationary risk, interest rate risk, default risk, repayment of principal risk and others.

**Debt securities** (bonds) are part of the fixed income category of investments. They are typically issued by corporations, governments or municipalities. In addition to the economic risks described for fixed income (above), they carry the risk of counterparties (issuers) being unable to meet their obligations including the timely and full payment of income and/or the timely and complete full repayment of principal (default risk).

#### **US Government Backed Bonds, including Treasury Inflation Protected/ Inflation**

**Linked Securities :** These are debt securities issued by the US Government. The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (generally considered extremely unlikely). While default risk is low, they do, carry a risk of losing market value. As with all bonds, that risk to market value, and therefore to investor capital, is generally considered to be lower in the shorter term maturities than it is with securities with longer maturity dates.

Other debt securities may be issued by entities which are associated with or agencies of the US Government. These are perceived to carry greater risk than those backed by the full faith and credit of the US government.

**Mutual Funds:** Mutual funds are pooled investment vehicles. There are many different types of mutual funds spanning a wide variety of investment objectives, management styles and risk levels. There are funds available for investment which span a risk/ reward range from very conservative to extremely aggressive, which may invest in a tremendous variety of greater- or less- risky underlying investments. Investments can be of “fixed income” nature (often perceived to carry lower risk) or stock “equity” nature (often perceived to carry greater risk), and they may be designed to include investments in the US alone or in foreign countries. The mutual fund prospectus provides information on investments which may be considered for the fund along with other strategies which may increase or decrease risks and potential returns.

Regardless of the stated investment style or objective of a fund, investing in all mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency.

All mutual funds, including “no load” funds, have costs that may lower investment returns.

**Exchange Traded Funds (ETF):** Investment in an ETF involved the purchase of shares of a fund which are traded on an exchange. As with individual stocks, share prices change with investor demand and other market conditions, and may not be based solely on the net asset value of fund holdings. As such, investments in ETFs carries the risk of capital loss. Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Real Estate mutual funds** and Real Estate Investment Trusts (REITs) face several kinds of risk inherent to the general real estate markets. Liquidity risk, market risk and interest rate risk are but a few of the factors that can influence the gain or loss that is passed on to investors/ shareholders. Liquidity and market risk tend to have a greater effect on funds that are more “growth-oriented”, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is earned and passed onto shareholders of more income- oriented funds. Broad interest rate risk may also impact the market share price of real estate fund and REIT shares.

REITs have additional risks which are not typically experienced by mutual funds, including valuation changes due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares. Investment in these securities is not guaranteed or insured by the FDIC or any other government agency.

**Hedge Funds** are not suitable for all investors. They are privately organized investments which are not widely available to the general public. Hedge funds may be created and managed to meet a wide variety of investment objectives and risk tolerances: some are speculative in nature while others are managed to mitigate certain risks or dampen principal risk. Regardless of stated objectives, however, a hedge fund may introduce features not common to other widely available investments which contribute to their greater risk. These include complex tax structures, the use of leverage or other speculative investment practices and allocations to riskier investments such as futures, derivatives or commodities. Lack of transparency in the structure, finances, management or underlying investments in the hedge fund creates additional risk and makes proper monitoring within the client portfolio more difficult if not impossible. Hedge fund investments are generally less liquid: there is no true secondary market for hedge funds and funds typically provide fewer redemption opportunities than other investments. They may have higher and different fees than most mutual funds, including percentages payable to fund managers based on their stated performance. While hedge funds may potentially provide above average gains, they can also generate outsized losses. Hedge fund investments are not guaranteed or insured by the FDIC or any other government agency.

**Private placements** are largely unregulated offerings not subject to the range of securities laws and oversight which govern securities available to the public at large. As such, they may carry substantial risk.

**Precious Metals (ie Gold, Silver, Palladium, Platinum and others):** Investing in precious metals carries the risk of capital loss. Some, but not all, funds or ETFs which are designed to invest in precious metal investments, actually hold or are backed by physical metal(s). The value of precious metals does change, whether in the form of investment in companies that mine them or through investment in ETFs or other securities which invest in they physical metals. Investment in these securities carries the risk of principal loss.

**In evaluating all securities investments it is usual to evaluate their historic performance. Past performance, however, is NOT a guarantee of future performance. The future value, risk behavior and performance of securities is neither assured nor guaranteed. Upon**

investing in securities, you as a client should be prepared to bear the risk of price volatility, capital loss or different-than-expected cash flow from investment in any given security.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither CPWM nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither CPWM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Ann T Coffey also owns Ann T Coffey Investments, LLC. From time to time she may offer clients advice or transaction - oriented products (such as annuities or life insurance products) through that company. Clients should be aware that these services may pay a commission or other compensation and could involve a conflict of interest in that commissionable products conflict with the fiduciary duties of a registered investment advisor. CPWM always acts in the best interest of the client, including in the sale of commissionable products to advisory clients. Clients are in no way required to implement any investment or plan through any representative of CPWM in their capacity as an insurance agent or registered representative.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

CPWM may utilize or select other advisers or third party managers. CPWM will be compensated via a fee share from the advisers to which it directs those clients. This relationship will be

disclosed in each contract between CPWM and each third party advisor. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a potential conflict of interest in that CPWM has an incentive to direct clients to the third party money managers that provide CPWM with a larger fee split. CPWM will always act in the best interests of the client, including when determining which third party manager to recommend to clients. CPWM will ensure that all recommended advisors or managers are licensed or notice filed in the states in which CPWM is recommending them to clients.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

### **B. Recommendations Involving Material Financial Interests**

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

### **C. Investing Personal Money in the Same Securities as Clients**

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

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

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

## Item 12: Brokerage Practices

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

The Custodian, TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA, was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. CPWM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### 1. Research and Other Soft-Dollar Benefits

CPWM receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions (“soft dollar benefits”).

#### 2. Brokerage for Client Referrals

CPWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### 3. Clients Directing Which Broker/Dealer/Custodian to Use

CPWM allows clients to direct brokerage, however CPWM may also recommend custodians. If clients choose to direct brokerage, they should be aware that CPWM may not be able to assure the most favorable execution of their transactions: we may be unable to aggregate orders to reduce transactions costs, resulting in higher brokerage commissions and less favorable prices. Not all investment advisors will allow clients to select their custodians or broker/ dealers.

### B. Aggregating (Block) Trading for Multiple Client Accounts

CPWM maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing CPWM the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## Item 13: Reviews of Accounts

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

Client accounts are reviewed at least monthly only by Ann T. Coffey, Managing Member. Ann T. Coffey is the chief advisor and is instructed to review clients’ accounts with regards to their investment policies and risk tolerance levels. All accounts at CPWM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Ann T. Coffey, Managing Member. There is only one level of review and that is the total review conducted to create the financial plan.

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

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

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly, but generally monthly, from their custodian, a written report that details the client's account including assets held and asset value.

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

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

CPWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CPWM clients.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

CPWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

CPWM, with client written authority, has limited custody of client's assets through direct fee deduction of CPWM's fees only. If the client chooses to be billed directly by TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA, CPWM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

For those client accounts where CPWM provides ongoing supervision, the client may give CPWM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides CPWM discretionary

authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

## **Item 17: Voting Client Securities (Proxy Voting)**

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

## **Item 18: Financial Information**

### **A. Balance Sheet**

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

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

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

### **C. Bankruptcy Petitions in Previous Ten Years**

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