

## **Form ADV : Part 2 A & B**

As of December 22, 2013

**Part 2A: The Brochure:** This brochure discloses information about the qualifications and business practices of the investment advisory firm named below for the benefit of its clients and prospective clients. Please note that the terms “registered investment adviser” or “registered” do not imply a certain level of skill or training. If the adviser uses a wrap fee program, it is found in Appendix 1. If you have any questions about the contents of this brochure, please contact us at the contacts given below.

**Part 2B: The Brochure “Supplement** discloses information about persons providing advice.

**2A: Brochure : Item 1 :Cover Page :** for

### **Smart Investment Management, Inc.**

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or

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*Please note that this brochure has not been approved by the Securities & Exchange Commission or by any state securities authority. This firm is registered with the SEC and notice filed in one or more states; **registration does not mean approval or verification by those regulators.** More information about the firm is at Investment Adviser Public Disclosure : [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*If an item does not apply to the firm, it must state that it does not apply. All information must be true and may not omit any material facts.*

**2A: Brochure : Item 2: Material Changes :** *If we amend this disclosure brochure, we are to send you either a new copy of the brochure or at least this item 2 describing the changes made so you can decide if you want us to send you a complete, new copy. A summary of material changes is :*

In item

5.A. **Our fee schedule:** A description of the range of fees. Our fees are negotiable.

We may offer an initial promotional discount or coupon.

**2A: Brochure : Item 3 : Table of Contents** : Information that investment advisers must provide to prospective clients initially and to existing clients annually : 19 disclosure items that describe this firm’s advisory business. and (if applicable) Appendix 1withdisclosuresrequired for a “wrap fee” program brochure [*a specialized brochure*].

Item 1. : <u>Cover Page</u> .:            The firm’s name, its address, contact information,	Page 1, above
Item 2. : <u>Material Changes</u> .— Amendments made as of _____	Page 1, above
Item 3. : <u>Table of Contents</u>	Page 2, this page
Item 4. : <u>This advisory firm’s business</u> —Services; Assets ; Owners.	Page 3
Item 5 : <u>Fees and Compensation</u> . . — How our firm is compensated; fee schedules	Pages 4 - 5
Item 6: <u>Performance-Based Fees and Side-By-Side Management</u> .	Page 5
Item 7 : <u>Types of Clients</u> . — The types of clients we service; account requirements	Page 6
Item 8 : Methods of Analysis, Investment Strategies and Risk of Loss. —	Pages 6 - 7
 <b>Caution: Investing in securities involves risk of loss which a client must be able to bear.</b>	
Item 9 : <u>Disciplinary Information</u> . —Legal or disciplinary events relating to our firm to evaluate the integrity of our firm or its management persons.	Page 7
Item 10 : <u>Other Financial Industry Activities and Affiliations</u> . . — Possible conflicts of interest and how they are addressed.	Page 8
Item 11. : A. <u>Code of Ethics</u> , & B. - D. —A summary; Interest in client transactions	Pages 8 - 10
Item 12.: <u>Brokerage Practices</u> . — How we select a broker; “soft dollars”	Page 11
Item 13.: <u>Reviews of Accounts&amp; Reports to Clients</u>	Page 12
Item 14.: <u>Client Referrals and Other Compensation</u> . Solicitors, etc.	Page 12
Item 15. : <u>Custody</u> .	Page 12
Item 16.: <u>Investment Discretion</u> .	Page 12
Item 17. : <u>Voting Client Securities</u> .— Proxy voting practices.	Page 13
Item 18.: <u>Financial Information</u> .— Disclosure of material financial information.	Page 13
Item 19.: <u>State-registered</u> investment advisers : requirements	Page <b>Not applicable</b>
 <b>Part 2B: Mr. Michael Wang</b>	 Page 14 - 15

## 2A: Brochure : Items 4 – 18:

### Item 4. : This advisory firm's business

4. A. **Smart Investment Management, Inc.** (or “the firm” or “the adviser”) is a California filed corporation that applied to be registered to do business as an investment advisory firm in February 2012. Note : The use of the phrase “registered investment adviser” or the term “registered” do not imply a certain level of skill or training. The firm was formed in December 2011 to do business as an SEC registered adviser with an interactive, online website that provides investment advice to clients. Our firm's sole owner and officer is Mr. Michael Wang, its President and representative.

4.B. Smart Investment Management, Inc. offers

- an online,proprietary and interactive investment website for its clients; and
- discretionary, personal management of investment portfolios for up to 15 clients per year.

4.C. Do we tailor our advisory services to a client's individual needs and how do we do so?

Can clients impose restrictions on investing in certain securities or types of securities?

#### Discretionary Account Management clients

Each client will complete an online questionnaire to include information on personal finances, investment goals and risk tolerance. The proprietary program automatically will analyze the information a client provides and will present to that client the most suitable investment style and category or group of stock picks. Stock picks may include penny stocks and options as well as major market securities (stocks only, not bonds).

Mr. Wang may personally manage up to a maximum of 15 clients per year. The firm will normally expect to manage these accounts on a discretionary basis. It is possible that the algorithm result may diverge from a client's stated goal, yet adhere more closely to the client's given data. As a fiduciary, an investment adviser must make only those recommendations that are in the client's own best interest: they, too, must be based on an individual's stated and/ or established, individual needs, goals, risk tolerance and investment time horizon. The firm seeks to establish this personal dimension through a careful, fact-finding interview and discussions with each client, normally by telephone or email. Discretionary management account clients may not impose restrictions on the adviser's discretion to invest in certain securities or types of securities. A client allows the power of discretion to an adviser by means of a limited power of attorney, which the client and the firm may revoke at any time.

#### Website clients

Clients using the interactive website are effectively tailoring their choices by the information they put into the identifiers and parameters for the plans available. The plans provide choices.

4.D. Do we participate in a wrap fee program providing portfolio management services?

(1) How does our management of the wrap fee accounts differ, if it does, from how we manage other accounts?

NO. None of the plans uses a wrap fee program for any of its recommended investments. We receive no portion of a wrap fee for our advisory services.

4. E. As of its initial registration in 2012 this firm manages no assets.

Item 5 : Fees and Compensation. . — How our firm is compensated

5.A. **Our fee schedule**: A description of the range of fees.

Clients using the stock and option pick services online will pay a subscription fee of \$100 per month after a free, initial 1 month trial.

Discretionary account management clients will pay

- an annualized fee of 2.0% of the assets managed for accounts under \$1 million, or
- for Qualified Clients/ Accredited Investors, an annualized fee of 2.0% of the assets under management and an additional 20% performance fee on assets over \$1 million.
- for Qualified Clients/ Accredited Investors, an annualized fee of 1.0% of the assets under management and an additional 15% performance fee on assets over \$10 million.
- for Qualified Clients/ Accredited Investors, an annualized fee of 0.5% of the assets under management and an additional 10% performance fee on assets over \$100 million.
- An hourly fee for clients who wish to consult with Mr. Wang on specific investment issues.

Our fees are negotiable. We may offer an initial promotional discount or coupon.

5.B. . Billing clients: Our firm bills its clients for the incurred advisory fees by :

- Sending an invoice to the client, OR
- Obtaining each client's signed permission to deduct the advisory fees from the client's account held by the custodian, OR
- May clients select either method of billing?

Website clients pay subscription fees monthly in arrears online by Paypal or credit card. Clients may also pay by check or money order or wire. If a subscription client chooses not to continue using the service after the initial month, the first trial month will be free. Discretionary account management clients pay their advisory fees monthly in arrears. The firm will send an invoice.

5.C. . Disclosure : Other types of fees or expenses clients may pay in connection with the advisory services. Clients should be aware that opening an investment account carries with it costs beyond the advisory fee(s) Smart Investment Management charges. When placing a transaction order to buy or sell securities, advisory clients may have to pay any or all of the following charges in addition to the advisory fees charged by this firm.

- |   |   |
|---|---|
| • Brokerage commissions                   | • Margin interests  |
| • Annual custodian fees                   | • Check delivery, transaction and wire fees   |
| • postage charges                         | • account maintenance fees charged by a broker dealer for an account, especially if inactive    |
| • processing charges                      | • Pledging agreement charges  |
| • Ticket charges                          | • Other miscellaneous charges related to the administration of securities in a client's account |
| • Early surrender or account closing fees | • Regulatory Fees   |
| • Transfer fees                           | • Option contract fees  |
| • Lawyering fees                          | • Other service fees listed by the brokerage, bank and money transfer companies                 |
| • Exchange fees                           |   |

Smart Investment Management, Inc. does not earn any of the above fees.

We direct clients to this brochure's Item 12 for further discussion of brokerage costs.

5.D. . Disclosure : Do clients pay fees in advance? How may a client obtain a refund of a pre-paid fee if the contract is terminated prior to a billed period's end? How will the amount of the refund be determined?

NO. Clients do not pay fees in advance.

5.E. Disclosure : Does the firm or any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds?

NO. Mr. Wang is not a registered representative of a broker dealer; therefore, he cannot receive 12(b)-1 fees. He receives no compensation for his advisory activities other than the fees stated above.

Disclosure 5.E.1. Whenever an investment advisory firm's representatives may earn a commission, or mutual fund management 12b-1 fees, or other forms of sales charges in their capacity as the registered representatives of a broker-dealer, that arrangement creates an incentive to recommend those sales and, as a consequence, an inherent possibility for a conflict of interest. An advisor is a fiduciary who is required to make only those recommendations for a client that solely are in the client's own best interest, uninfluenced by any calculation of personal gain.

NOTE: We do not reduce our advisory fees to offset the commissions or markups; we have no ability to reduce any commissions to offset our advisory fees.

Disclosure 5.E.2. Clients always have the option to purchase through unaffiliated broker-dealers and their agents those investment products our firm recommends.

Disclosure 5.E.3 Our firm does not receive more than half its revenue from commissions and other sales-based compensation: it receives no such incomes. Our firm's sole business activity, in time and in revenues, is its fee-based advisory service.

Disclosure 5.E. 4. Do we charge advisory fees in addition to commissions or markups?

We do, of course, charge advisory fees. That is how most investment advisers perform business. Our investment advisory firm is not also a broker dealer and therefore does not receive commissions or markups.

Other disclosures for this section : Our firm does not recommend primarily mutual funds to our clients. Our recommendations might include "no-load" funds, which impose no commission or sales charge ("load") on the shareholder and are purchased directly from the fund company, rather than through a broker.

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

**YES.** Our firm does charge a performance-based fee [fees based on a portfolio's increase in asset value] to qualified clients / accredited investors with accounts larger than \$1 million under discretionary portfolio management. NOTE : Regulators have stated that performance fees can cause incentives for an adviser to manage a portfolio with an eye to short term gains only, including investments that are more speculative or have a higher risk of loss. They may also tempt an advisor to allocate more time to them than to other clients' portfolios due to the possibility of a higher fee. As a fiduciary, an investment adviser is to provide equitable treatment to each client's managed portfolio as if it were the adviser's own portfolio - within the investment parameters agreed to with the client.

Item 7. : Types of Clients.

Typically our clients will include accredited investors, high net worth and other individuals using the online service. It is possible that corporations and other businesses, pension and profit-sharing plans , charitable organizations, estates, and trusts may seek to use the online program or Mr. Wang's management services for their investment purposes as well.

For Online Subscription clients there is no minimum account size. The minimum account size for discretionary account management is:

- \$50,000 (fifty thousand dollars) for non-accredited clients
- \$1 million for accredited investors

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

A. An adviser must describe its methods of analysis and investment strategies used in formulating its investment advice. It must explain in detail any unusual risks.

**Caution: Investing in securities involves risk of loss which a client must be able to bear. Past performance does not guarantee future performance, results or success**

In formulating advice, Smart Investment Management, Inc. uses its own investment algorithms, that are based on Mr. Wang's proprietary research and analytical decisions. He employs Charting as one analytical method.

1. **Charting** – Charting includes a variety of means of analysis that correlate charts, graphs, and similar **market information** to detect patterns that are judged to be predictable, to reoccur in essentially the same way, given the same chartable factors or relationships among factors. It seeks to predict trends and notice variations in those trends, using various calculated averages.

Problems encountered using a charting analysis : Charting assumes

- 1) an accurate correspondence between real events and the factors charted as selected;
- 2) and that patterns can be detected in such charts such that
- 3) they are recognizable in advance, predictable as drawn from recurring and therefore essentially mechanistic financial events.

It is a complicated theory. It depends upon a basic assumption that the fundamental financial influences are not radically different in the time periods considered. That assumption is a concept that recently has been questioned on a number of levels.

Particular stocks may diverge from the market/ sector averages radically. Charting may therefore need to be paired with another form of analysis such as fundamental or technical analyses in order to look more closely at particular securities.

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**Note:** The advisory firm's software does not necessarily consider tax consequences in its capital management recommendations; clients using the stock and options pick service should consult with their tax accountant before investing.

The adviser uses mostly its own analyses of various sources of information; outside sources may include research materials prepared by others, primarily third party software that the firm can use to scan and search stocks by various criteria such as volume and price changes.

8. B. An advisor must explain the material risks involved in frequent trading if its strategy involves frequent trading of securities. An advisor must explain how frequent trading can affect performance.

The firm's trading strategies include holding for the long term (a year or more), short term purchases (sold within a year), trading (securities sold within 30 days), short sales, margin transactions and options trading. Trading may be frequent for high-risk, discretionary accounts that Mr. Wang himself manages. Clients using the website may also choose to use a plan that employs more frequent trades. More frequent trading carries with it higher transaction costs.

What may be regarded as "frequent trading" varies according to

- the client and the strategy for that client's specific account – one client may have multiple accounts that apply different strategies
- to the type of security or relative mix of securities involved
- and to the current nature of the market.

Margin accounts require deposits by 10 am of the morning following the margin call, and options have an expiration date, after which the option itself is worthless. All these tactics are intended to enhance the portfolio's value and ability to meet a client's stated goals. All trades will add some costs to be deducted from a client's account and could reduce the overall return or growth in a client's account, if carefully measured against what its value would have been had the adviser not placed the transactions.

8.C. Do we recommend primarily a particular type of security? What are the material risks involved with that type of security? Are those risks unusual or significant?

The firm's proprietary online program provides stock pick recommendations that include exchange-traded stocks, over the counter and penny stocks, as well as options and other types of securities. We are prepared to provide advice on many types of securities, including :

<u>Equity Securities</u>		Notable risks involved with this type of investment
exchange-listed securities		Market fluctuations can bring losses, lower dividends
over-the-counter securities		More susceptible to market fluctuations; higher risk
foreign issuers		Not always under US financial reporting standards; higher risk
Options contracts on securities		Low market fluctuations can bring losses; must make transaction to realize profits; contract expires worthless.
Options on commodities		

Please see Item 12 for further description of our brokerage practices.

#### Item 9 :Disciplinary Information.

What facts about any legal or disciplinary event involving our firm or its personnel should you know of, because it is material to an evaluation of the integrity of our firm or its management persons?

The SEC requires that we inform you, our client, if our firm or any of our management persons has been involved in any of the events listed below in 9. A, B, and C. and, beyond those points, if there is any material fact about any legal or disciplinary event that you should know about in order to evaluate our integrity.

You may also see these same questions answered online at the investment adviser public disclosure site (IAPD), in Part 1A, Item 11.

Our firm and its management persons have not been involved in any events that come under this item, to include Criminal or Civil Actions, Administrative Enforcement Proceedings or any Self-Regulatory Organization's Proceedings.

Item 10 :Other Financial Industry Activities and Affiliations.

What material relationships does our firm or any of our management persons have with related financial industry participants? What material conflicts of interest may arise from these relationships and how are these conflicts addressed?

Smart Investment Management has no relationships with any other financial industry firms or persons.

A. Neither the firm nor any of our management persons has registered either as a broker-dealer or as the representative of a broker-dealer. Neither do we or any management person have such a registration pending.

B. Neither the firm nor any of our management persons has registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of these entities named here and neither has such a registration pending.

C. We have no “related person” – a person or a firm that we control or that controls us through ownership or as an officer – with whom we have a material relationship, any arrangement that may cause a conflict of interest when providing our clients with investment advice. Our firm has no related firm or person who is :

- a Broker Dealer
- a Municipal Securities Dealer
- a Government Securities Dealer or Broker
- an investment company or other pooled investment vehicle , including a mutual fund,
- a closed-end investment company
- a unit investment trust
- a private investment company
- a hedge fund
- an offshore fund
- another investment adviser/ financial planner
- a futures commission merchant, commodity pool operator or commodity trading advisor
- a bank or a thrift institution
- an accountant or accounting firm
- a lawyer or a law firm
- an insurance company or agency
- a pension consultant
- a real estate broker or dealer
- a sponsor or syndicator of limited partnerships.

The risk for a conflict of interest in any such arrangement lies in the compensation to be received; it creates an incentive to recommend the service.

An adviser’s **related persons** are: (1) the adviser’s officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling, controlled by, or under common control with the adviser; (3) all of the adviser’s current employees; and (4) any person providing investment advice on the adviser’s behalf.

D. Do we recommend or select other investment advisers for our clients?

NO, we do not. We receive no compensation from any third party investment adviser and have no relationship with any third party advisory firm or person.

Item 11. Code of Ethics / Advisory Persons’ own trading and possible personal interest in our clients’ trades.

A. As required by SEC rule 204A-1 or similar state rules our firm has adopted a Code of Ethics.

Our firm’s Code of Ethics describes our policies and procedures to abide by the law’s prohibition against insider trading, including our reviews of our own persons’ trades, and other ethical considerations. We will provide you, our client or potential client, a copy of our Code of Ethics if you write to us requesting one.



Please note that using any insider information, information that is not readily available to all participants in the securities markets (upon making a reasonable effort to obtain that information), for any person, ourselves or relatives or clients or any other person, is strictly illegal and punishable by fines and imprisonment.

**How our firm controls sensitive information:**

- Building security : visitor screening,
- locked office doors
- locked cabinet files
- password protected computer screens and databases
- fire prevention equipment

Currently the firm consists solely of Mr. Wang. He is well aware of the prohibition against using any insider information for himself or for any other person's benefit.

11. B. [ also in Form ADV Part 1A, Item 8. (1)(2) (3) ]

Does our firm or a related person recommend to our clients, or do we buy or sell for our clients' accounts, securities in which we or a related person has a material interest?

Neither Smart Investment Management nor its representatives or management persons has a material financial interest in any security they may recommend to a client. Examples of a "material financial interest" would include :

- (1) Our firm or a related person, as principal, buys securities from (or sells securities to) our clients;
- (2) Our firm or a related person acts as general partner in a partnership in which we, as an advisory firm, solicit client investments; or
- (3) Our firm or a related person acts as an investment adviser to an investment company that we recommend to our clients.

Our firm and/ or its associates **do**

- buy or sell for the firm or for themselves securities (other than shares of mutual funds) that we also recommend to our advisory clients;
- invest or are permitted to invest in securities related to those we may recommend to clients, such as derivatives

Our firm and its associates **do not**

- buy securities for the firm or for themselves from advisory clients (principal transactions);
- sell securities the firm or its associates own to advisory clients (principal transactions);
- in their capacity as a broker/ dealer agent, transact purchases or sales of any client's securities directly to any other person (an "agency cross transaction" that side-steps using a securities market place)
- buy or sell for the firm or for themselves shares of mutual funds that we also recommend to our advisory clients;
- recommend securities (or other investment products) to our advisory clients in which our firm or any person or other firm related to our firm has some other proprietary (ownership) or other financial interest.
- Act as an investment adviser to an investment company that we recommend to our clients.

11. C. **Personal Trading.** : investing in the same or related securities

Does our firm permit itself, its personnel, or a person related to our firm (by ownership or other forms

of control) to invest in the same securities that we recommend to our clients, or in securities that are related to those securities, such as options or other derivatives?

The firm and/ or Mr. Wang may invest in one or more securities that the firm's website recommends in one of its investment plans, or in any of the securities that Mr. Wang recommends to his discretionary portfolio management clients.

We will make known to any client who requests the information the portfolio holdings for the firm or Mr. Wang; records are available in the firm's office for the regulator to review.

Our Code of Ethics states that when our firm and/ or its personnel buy or sell securities for their own accounts, we will always place clients' orders before our own. We enforce these guidelines by self discipline in a one-person firm.

The possible conflicts of interest that arise whenever we recommend, or, in our discretion, buy or sell for you a security that we may also buy or sell for ourselves are

- using your order's market effect to benefit ourselves ("front running");
- using your order as "inside information" that would give us an unfair advantage in the markets to benefit ourselves or any other person (which is an illegal act);
- gaining a lower brokerage cost for ourselves in bunching orders, which can create an incentive to involve your account in that transaction.

Does any person in our firm participate in or have an interest in our clients' transactions? How does such a person participate or what is the interest and what conflicts of interest can that create?

No. No one in the firm has a financial interest in any investment transaction the firm recommends to its clients. Examples of such interests would include an adviser recommending that clients invest in a pooled investment vehicle that the firm advises or for which the investment adviser serves as the general partner, or when an adviser with a material financial interest in a company recommends that a client buy shares of that company.

11. D. **Personal Trading.** : investing in the same or related securities at the same time.

What specific conflicts do we have when our firm or a related person trades in the same securities at or about the *same time* as it places trades for a client's account?

Our practice is to place clients' trades before our own, although that cautionary practice does not guarantee that the market will provide our clients with a better price than we may obtain. Trading in our own accounts in near time to trades placed for our clients may appear to seek to use clients' investments to benefit our own trades. We address this potential conflict of interest by disclosing it here. Our internal controls designed to prevent "contemporaneous trading" are self-imposed discipline.

NOTE: "The SEC generally dislikes 'contemporaneous' trading," that is, that anyone in our firm might enter an order for her or his own account at the same time as an order in the same security for a client. Note that these restrictions are not applied to investments in mutual funds that are unaffiliated with our firm. Unaffiliated means a mutual fund that we have not ourselves created or helped establish and/ or in some way act as the fund's managers. The SEC has stated that "an adviser's ability to place its own trades before or after client trades in the same security may affect the objectivity of the adviser's recommendations" and therefore states further that the SEC believes *disclosure of this practice* is warranted. The SEC has not in that opinion stated a specific length of time before or after. In that respect it could also be noted conversely that clients might have reservations in employing an adviser who does not invest in the same securities the adviser recommends.

Item 12 :Brokerage Practices.

12. A. Does our firm select a broker/ dealer for you? On what basis do we do so? How do we determine the reasonableness of the broker's compensation (commission charges)?

We do recommend one or more specific broker-dealers for our clients' transactions. We base our selection of a broker-dealer on such factors as low transaction charges (commissions) and ease of use online for different clients. Those broker dealers are:

<http://optionshouse.com/> (for US clients) will receive \$150 per referral

<http://eoption.com/> (for international clients)

<https://www.zecco.com/> (for international clients) will receive \$100 per referral

12. A. 1. Research and other "Soft Dollar" benefits : We do not receive any "soft dollars" from a broker/ dealer? We do not "pay up" to obtain soft dollar benefits (that is pay more than the lowest available commission rate).

Clients need to understand that "soft dollars" are an enticing benefit for an adviser in so far as they provide access to research and / or other products both of use to the adviser in its business and at no expense to the adviser. Clearly, such an enticement creates an incentive to use the broker-dealer in question and may cause the adviser to use a broker that charges the adviser's clients higher commission rates than another broker-dealer. An adviser has a duty to seek the best execution of trades for its clients, which includes considerations in addition to the commission rate, however.

12. A. 2. Brokerage for client referrals

Do we direct brokerage to a specific broker-dealer in return for client referrals either to our firm or to a related firm?

**No, we do not.**

The inherent conflict of interest in directing brokerage stems from an adviser's fiduciary duty to the client to put the client's interests first. The referrals create an incentive to use the broker-dealer not for the services a client will receive, but due to the benefit to the advisory firm. Directed brokerage may result in brokerage costs that are higher than a client might obtain from another broker-dealer.

To date we have not had any procedures to direct brokerage to any broker dealer.

12. A. 3.

[a] We do not "routinely recommend, request or require" our clients to direct brokerage. Clients should know that not all advisers do require directed brokerage.

[b] Do we permit a client to direct brokerage to a specific broker-dealer?

Subscription clients may use any broker dealer of their choice. We ask our management clients to choose from the broker dealers above. Clients should understand that their choice of broker-dealer may lead to higher brokerage costs than they might have otherwise obtained, due to higher rates or an inability to aggregate orders and thereby reduce transaction costs.

12. B. When we place orders with a broker/ dealer for our clients, do we aggregate or "bunch" your trade order with orders for other clients?

NO. We do not have the capacity to aggregate orders.

Item 13 :Review of Accounts.

13. A. Does someone in our firm review your investment account portfolio and how often?

Mr. Wang, the firm's owner and advisory representative will review his discretionary clients' portfolios at least weekly. If clients request, he will provide a monthly report on the client's portfolio holdings and performance. The firm urges its clients to compare carefully any report they receive from the firm with any other statement, such as that from the account's qualified custodian.

13. B. What factors might trigger a review in addition to our periodic reviews?

Major moves in the national markets or changes in the nation's economy, as well as any information a client makes known to us regarding changes in that client's financial situation or goals all provide important reasons for an adviser to re-evaluate the recommendations it provides to its clients. We urge management clients to inform us of any changes in their goals or needs or risk tolerances.

13. C. What regular reports do we or others provide you? Are they written reports? What do they contain?

Online subscription clients will be able to view their holdings on the website and they will receive the usual reports for their transactions and holding on a monthly or quarterly basis, either in the mail or online, from the broker dealer of their choice.

Item 14 :Client Referrals and Other Compensation.

A. Does someone other than a client of our firm pay our firm or related persons, or otherwise provide some economic benefit to our firm, for the investment advice we provide to our clients?

Currently, NO. Mr. Wang is not the registered representative of a broker dealer and does not provide insurance products; he receives no 12b-1 fees; other; sales awards or prizes. If he were to refer clients to a third party adviser, he would receive referral fees upon establishing and disclosing such an arrangement.

B. Currently Smart Investment Management has no solicitors (persons it pays for referrals). It may use solicitors in the future, at which time it will enter into an agreement with those persons and ascertain that they are registered with any regulator requiring them to do so. Clients need to know that any solicitor must present documents disclosing the fact that they are soliciting, together with a copy of this firm's ADV part 2.

Item 15: Custody.

Our firm does not have custody of any client's assets.

The qualified custodian(s) of our firm's clients' assets is the custodian for the broker dealer the client chooses to use. The custodian will send our clients monthly statements or confirmations of trade transaction activity in the account. NOTE : These statements should be reviewed carefully. It is not the custodian's responsibility to ascertain the accuracy of the calculation for fees subtracted from your account.

Item 16 :Investment Discretion.

A. Does our firm have discretionary authority over your assets?

YES. In some instances, Mr. Wang will seek to obtain permission from portfolio management clients to

exercise discretion over their investment accounts. He will do so by means of a signed, dated, limited power of attorney, which a client may revoke at any time.

B. What limitations are there, or can you place, on our discretionary authority?

Suitability parameters, as the client and the adviser establish in the initial questionnaire and in on-going contacts, are the over-riding limitation on any discretion.

Item 17. : Voting Client Securities.. — proxy voting practices

A. This advisory firm will not have nor will it accept authority to vote client securities. This is our policy. Clients may request discussion with the adviser regarding their options on voting.

B. Our firm does not vote its clients' proxies. We state this in our agreement and here in these disclosures. Our firm urges our clients to read and participate in the voting process tied to the shares they own in various companies as an excellent means for our clients to become familiar with those companies in which they are invested.

Item 18 :Financial Information.

A. Smart Investment Management, Inc. does not have to provide a Balance Sheet under this section. Advisors who have custody of their clients' securities or funds, or who have a related firm that has such custody are required to provide a balance sheet under Item 18.

Regarding Custody situations, our firm:

- Does not require prepayment of a fee of \$1200 or more, 6 or more months in advance of services.
- No one in our firm act as the trustee for an advisory client.
- We do NOT practice "Direct Billing" (charging our fees to your account).

18. B. Financial difficulties : If our firm has discretionary authority over your assets [see Item 16] or custody of our clients' securities or funds, or require or solicit prepayment of fees of \$1,200 or more (for SEC registrants, but only \$500 or more for state registrants), six or more months in advance, then we must disclose if there is any financial condition reasonable likely to impair our firm's ability to meet its contractual commitments to its clients. Our firm has no financial condition that could reasonably seem likely to impair our ability to meet our contractual commitments to you, our client. This question is important, especially if an investment adviser has discretion, custody or both; if our financial condition were precarious, our clients would be exposed to increased risks that we might not manage their assets properly, according to the SEC. Prepaid fees might not be refunded if an advisory firm were to cease being able to do business due to insolvency. The firm undertakes to inform clients if it were to have any threatening financial difficulties.

18. C. We must also disclose if our firm has been the subject of a bankruptcy in the past 10 years. Our firm has not been the subject of a bankruptcy petition during the last 10 years.

## Smart Investment Management, Inc.

2202 S, Figueroa St., #238,  
Los Angeles, Ca 90007

Telephone : 213-222-8718

or

Facsimile : 800-517-6278

office@smart-investmentmanagement.com

www.smart-investmentmanagement.com

**Part 2B: The Brochure Supplement** : Here we provide information about advisory personnel on whom you rely for investment advice. We must provide this supervised person's supplement to you, our client initially at or before the time when *that* specific supervised person begins to provide you with advisory services.

### Item 1. Cover Page.

This brochure supplement provides information about Michael Wang that supplements the Smart Investment Management, Inc. brochure. You should have received a copy of that brochure. Please contact Mr. Wang if you did not receive the firm's brochure or if you have any questions about the contents of this supplement. Additional information about Mr. Wang is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

#### **Michael Wang**

Born May 9, 1968

CRD # 6024864

### Item 2. Educational Background and Business Experience

Mr. Wang has a Bachelor of Fine Arts in Graphic Design from the Savannah College of Art and Design, May 1992 (Savannah, Georgia).

Mr. Wang :

- ☐ Has been the SEO / SEM Manager for Forward Business Solutions, a personnel staffing agency in Beverly Hills, California (from January 2012 to the Present);
- ☐ Was the SEO / SEM Manager for DeVida USA, a personnel staffing agency in Beverly Hills, California (from January 2011 to December 2011);
- ☐ Was the SEO / SEM Manager for Surgery Center Management, a surgery center management company in Beverly Hills, California (from July 2010 to December 2010);
- ☐ Was the SEO / SEM Manager for Top Surgeon, a surgery center in Beverly Hills, California (from February 2009 to June 2010);
- ☐ Was the SEO / SEM Manager for Waismann Method, in Beverly Hills, California, (from February 2007 to October 2008);
- ☐ Was the Web Project Manager / Creative Director for Ro Generation Inc., in Cudahy, California, (from September 2006 to February 2007);
- ☐ Was the Marketing Coordinator / Graphic Designer for FEMCO Inc. in Garden City, California, (from August 2004 to April 2006);
- ☐ Has been since 1995 the sole proprietor of 123link.com, an on-line marketing website that is not involved with securities;

### Item 3. Disciplinary Information.

There are no events of a regulatory, disciplinary or legal nature to disclose regarding Mr. Wang.

**Item 4. Other Business Activities.**

Mr. Wang currently is the SEO / SEM Manager for Forward Business Solutions, a personnel staffing agency in Beverly Hills, California (since January 2012). The work is not investment-related. He has no other business activities to disclose. He is also since 1995 the sole proprietor of 123link.com, an on-line marketing website that is not involved with securities.

**Item 5. Additional Compensation.**

Other than the advisory fees as noted in the ADV Part 2A, Item 5, Mr. Wang and Smart Investment Management, Inc. receive income from selling educational publications (such as books, ebooks, video CDs, webinar, apps, etc), and also from advertisers and affiliate programs by placing advertisements on company and non-company web sites and email newsletters.

**Item 6. Supervision.**

Mr. Wang is his own supervisor. He maintains on file in the firm's offices reports of his proprietary trading activities and the formulation of his recommendations for the regulator to review at will.

**Item 7. State Registration requirements**

A. Mr. Wang has not been involved in any of the events noted here below:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

B. Mr. Wang filed a Personal Chapter 7 Bankruptcy on May 20, 2004; it was discharged on August 30, 2004.