

**FORM ADV PART 2A**

**Brochure Cover Page**

**Oneida Wealth Management, Inc.**

Phone: (315) 474-1707

Email: [Scott@OneidaWealth.com](mailto:Scott@OneidaWealth.com) or [Chasity@OneidaWealth.com](mailto:Chasity@OneidaWealth.com)

Oneida Wealth Management, Inc. may refer to itself as a "registered investment adviser" or describe itself as being "registered" throughout this Brochure. These terms do not imply a certain level of skill or training. The "registered" status means that Oneida Wealth Management, Inc. has filed the required documentation to maintain registration as an investment adviser with the Securities and Exchange Commission (the "SEC").

7/29/2014

**This brochure provides information about the qualifications and business practices of Oneida Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us [Scott@OneidaWealth.com](mailto:Scott@OneidaWealth.com) or [Chasity@OneidaWealth.com](mailto:Chasity@OneidaWealth.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 Oneida Wealth Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Form ADV – Part 2A**  
**Oneida Wealth Management, Inc. (SEC No. 801-79875)**

**Item 2 – Material Changes**

Not Applicable. There have been no material changes since Oneida Wealth Management, Inc.'s prior Form ADV filing as Oneida Wealth Management, Inc. has only recently become registered as an investment adviser with the SEC and this is its first Form ADV application.

**Table of Contents**

Item 1 Cover Page .....	1
Item 2 Material Changes .....	2
Item 3 Table of Contents .....	2
Item 4 Advisory Business .....	3
Item 5 Fees and Compensation .....	7
Item 6 Performance-Based Fees and Side-By-Side Management .....	10
Item 7 Types of Clients .....	10
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	10
Item 9 Disciplinary Information .....	11
Item 10 Other Financial Industry Activities and Affiliations .....	11
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	12
Item 12 Brokerage Practices .....	12
Item 13 Review of Accounts .....	13
Item 14 Client Referrals and Other Compensation .....	13
Item 15 Custody .....	14
Item 16 Investment Discretion .....	14
Item 17 Voting Client Securities .....	14
Item 18 Financial Information .....	14
Item 19 Requirements for State Registered Advisers .....	14

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

#### Item 4 Advisory Business

4A. Description of Oneida Wealth Management, Inc. (hereinafter referred to as "OWM," the "Firm," "we" or "our"). The Firm is a wholly-owned by The Oneida Savings Bank (a NYS-chartered and FDIC insured stock savings bank) and is part of the Oneida Financial Corp. family of Companies. Oneida Financial Corp. is a publicly traded stock mutual corporation whose shares are traded on the NASDAQ symbol "ONFC". The Firm and The Oneida Savings Bank, Inc. also have some common executive officers and directors.

Since 2006, OWM and its "Financial Consultants" provided investment advisory and brokerage services through a relationship with Cadaret, Grant & Co., Inc. ("Cadaret Grant") a Financial Industry Regulatory Authority or "FINRA" member broker-dealer and a Securities and Exchange Commission ("SEC") registered investment adviser as well as insurance services through a Cadaret Grant affiliate. As part of its plan to become an independently registered investment adviser, broker-dealer and insurance agency easily identifiable with the Oneida family of companies, the Firm changed its name to Oneida Wealth Management, Inc. in May 2013.

The Firm's principal office is located at 5232 Witz Drive, North Syracuse, New York 13212. It also operates from offices located on the premises of The Oneida Savings Bank branches to make available brokerage, investment advisory and insurance services to its clients. These offices are located at:

182 Main Street  
Oneida, New York 13421

48 Albany Street  
Cazenovia, New York 13035

123 Farrier Avenue  
Oneida, New York 13421

160 Brooks Road  
Rome, New York 13441

579 Genesee Street  
Chittenango, New York 13037

OWM also maintains an office location 22 Ruxton Road, Delmar, NY 12054 which is staffed by a single OWM employee.

In addition to our registration with the SEC as an investment adviser, the Firm is also registered with the SEC as a securities broker-dealer and is a member of FINRA, the Municipal Securities Rulemaking Board ("MSRB") and the Securities Investor Protection Corporation ("SIPC"). The Firm's broker-dealer business primarily consists of acting as a broker for mutual funds, including exchange-traded funds and unit investment trusts and marketing and selling interests in these products directly to its customers. To a lesser extent as a broker-dealer, the Firm also effects transactions for its customers in exchange-listed and over-the-counter corporate equity securities, corporate debt securities, and American Depositary Receipts and foreign securities offered through its clearing firm Pershing LLC. OWM may also effect customer transactions in municipal securities, certificates of deposit, options, variable life insurance or annuities, act as a U.S. government securities broker or dealer, and effect transactions in securities issued by REITs (real estate investment trusts), publicly traded real estate partnerships, and effect transactions in oil and gas interests, tax shelters and limited partnerships.

As a broker-dealer, OWM will not have custody of client funds or securities which will be custodied with Pershing LLC (who serves as the Firm's clearing agent) insurance companies or other third-parties or custodians related to the Firm's business. All of OWM's Financial Consultants are also qualified as broker-dealer registered representatives of the Firm.

The Firm is also an independent insurance agency in the state of New York and will become registered as such in New Jersey and Pennsylvania offering for sale disability, health and life insurance. Also, the Firm's insurance agents offer insurance products through Lion Street, a financial services distribution company. Most of OWM's Financial Consultants will also be licensed insurance agents selling insurance products through OWM in its capacity as an independent insurance agency.

The Firm expects to provide its services (advisory, brokerage and/or insurance) to individuals including high net-worth individuals, foundations, trusts, estates, IRAs of individuals and pension and profit sharing plans. On occasion our clients may also include charitable organizations, corporations, or other business entities. It is expected that OWM's advisory clients and/or insurance agency clients will become brokerage clients of the Firm and vice versa. The Firm seeks to become a "one-stop shop" for its clients by providing a broad selection of financial services.

As noted above, currently associated persons of the Firm offer investment and brokerage services to customers through a relationship they have with Cadaret Grant, a FINRA member and SEC registered broker-dealer as well as a SEC registered investment adviser. Insurance services are currently provided through a relationship with Cadaret, Grant Agency, Inc., an insurance agency affiliate of Cadaret Grant. Upon securing our required investment adviser, broker-dealer and insurance licensings, registrations and/or memberships and following the transfer of existing client accounts to OWM, these services will be offered directly through the Firm. OWM will then terminate its relationship with Cadaret, Grant & Co., Inc. and Cadaret, Grant Agency, Inc.

#### 4B. Description of Advisory Services Offered.

Clients may choose from OWM's Retirement Plan Consulting Program and several "Wrap Fee Programs" as well as a variety of adviser-only investment options, each of which are further described below, depending on the service which best suits a client's investment needs. To the extent a client elects to participate in one of our Wrap Fee Programs, such client will receive from us a separate Wrap Fee Brochure (in addition to this Brochure) which is also referred to as Part 2A, Appendix 1 to our Form ADV. Our Wrap Fee Brochure provides specific information about the Wrap Fee Programs which all clients should consider before opting to invest in one of our Wrap Fee Programs.

Our "Retirement Plan Consulting Program" offers retirement plan ("Plan") sponsors ("Sponsors") a variety of advisory and consulting services with Sponsors selecting which of these services the Firm will provide. Retirement Plan Consulting Program services available include: (1) "Advisory Services" i.e., recommendations to establish or revise a Plan's investment policy statement ("IPS") which covers the investment objectives, risk balance and goals of the Plan; recommendations to select and monitor a plan's designated investment alternatives ("DIAS"); and assisting Plan participants by providing recommendations regarding investments and asset allocation and reviewing potential Plan investment managers and making recommendations as to the selection and subsequent monitoring of the investment manager thereafter; and (2) "Consulting Services" i.e., providing assistance with: Plan governance and retirement Plan committee education; Plan fiduciaries' vendor management selection and review; investment education for Plan fiduciaries; and Plan participant investment education and communication.

OWM will also offer clients the opportunity to invest in three Wrap Fee Programs. These consist of two proprietary investment platforms, one of which invests exclusively in mutual fund products consisting of load waived and no-load funds ("Wealthsource I") and a second proprietary platform which invests in mutual funds (load waived and no-load funds) as well as equity securities, bonds (both taxable and nontaxable), and exchange-traded funds, options and certificates of deposit ("Wealthsource II"). Clients may also invest in a third-party adviser Wrap Fee Program where OWM will evaluate client investment factors and then

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

recommend to clients who satisfy selected investment criteria, one or more third-party investment advisers who will then directly manage the client's investments (the "Pilot Program"). Client investments in the Pilot Program will include mutual funds (load waived and no-load), equity securities, bonds (both taxable and nontaxable), exchanged-traded funds, foreign securities, American Depositary Receipts and oil and gas limited partnership interests. OWM will also serve as the broker-dealer in each of these programs.

Finally, OWM will offer a variety of purely advisory services through its "Advisory Services Program" for which it will be compensated by Clients with an asset-based advisory fee calculated based upon a percentage of the Client assets managed through this program.

OWM's Advisory Services Program is a customized advisory program in which based upon information provided by Client as to Client's investment objectives, financial circumstances, risk tolerance, etc., OWM will either (i) directly manage client's investment portfolio on a discretionary basis (i.e. Client authorization not required prior to transactions being effected) ("OWM Money Manager Services"); (ii) recommend to the Client that its investment portfolio be managed by a particular third-party investment adviser on a discretionary ("Outside Money Manager Services"); or (iii) recommend that a Client's portfolio be managed with a combination of both OWM Money Manager Services and Outside Money Manager Services. Client portfolios in OWM's Advisory Services Program may include investments in mutual funds (both no-load and load-waived funds), equity securities, bonds (both taxable and non-taxable), exchange-traded funds, foreign securities, options, American Depositary Receipts, and oil and gas limited partnership interests.

Brokerage services for OWM's Advisory Services Program will be provided by third-party broker-dealers or custodians, including possibly a banking affiliate of OWM, depending on the client's preference.

Investment strategies for all services offered may range from more aggressive, capital gains oriented equity strategies, to more conservative balanced or income-oriented approaches, depending on the investment objectives and risk tolerance level of the particular client.

OWM will not serve as the broker-dealer of record for Plans participating in our Retirement Plan Consulting Program and will not have custody of Plan assets although certain Plans participating in OWM's Retirement Plan Consulting Program may have Plan assets custodied with the Trust Department of our bank affiliate. OWM, in its capacity as a securities broker-dealer, will however effect resulting client securities transactions for OWM advisory clients participating in our Wealthsource I, Wealthsource II and Pilot Program. Client assets are custodied with OWM's clearing firm, Pershing LLC or with the mutual fund's custodian or other designated third-party custodian. With regard to client investments made through our advisory-only Advisory Services Program, the broker-dealer of record will be a third-party broker-dealer or custodian (which may be a bank affiliate of OWM), depending on the Client's preference.

Our Wrap Fee Programs - Wealthsource I, Wealthsource II and our Pilot Program utilize a "wrap fee arrangement" meaning that the fee paid by the client covers *both* the advisory services provided *and* the commission and related transaction charges arising from brokerage transactions effected based on the advisory advice we provide. On occasion, due to the investment strategy agreed upon by OWM and Client, Wealthsource II fees do not include ticket or execution charges which will be separately charged to the Client. As OWM serves as the broker-dealer for these programs, it will receive both the advisory and brokerage component of the wrap fee.

Clients who opt to participate in one of our Wrap Fee Programs, will receive a separate Wrap Fee Program Brochure which provides detailed information about each of the Wrap Fee Programs and other information you should consider before investing in our Wrap Fee Programs.

More specifically, the Firm's investment advisory services consist of:

(i) OWM's "Retirement Plan Consulting Program" which offers Plan Sponsors a variety of advisory and consulting services with clients selecting which of these services the Firm will provide. Retirement Plan Consulting Program services include: (1) "Advisory Services" i.e., recommendations to establish or revise a Plan's investment policy statement ("IPS") which covers the investment objectives, risk balance and goals of the Plan; recommendations to select and monitor a Plan's designated investment alternatives ("DIAS"); and assisting Plan participants by providing recommendations regarding investments and asset allocation and reviewing potential Plan investment managers and making recommendations as to their selection and subsequent monitoring of the investment manager thereafter; and (2) "Consulting Services" i.e., providing assistance with: Plan governance and retirement Plan committee education; Plan fiduciaries' vendor management selection and review; investment education for Plan fiduciaries; and Plan participant investment education and communication.

If a Sponsor selects any Advisory Services offered, OWM, acting through its Financial Consultants, agrees to perform that service to the Plan as a fiduciary under Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and will act in good faith and with the degree of diligence, care and skill that a prudent person rendering similar services would exercise under similar circumstances. When providing any Advisory Services selected by the Sponsor, OWM, acting through its Financial Consultants, will solely be making recommendations to Sponsor or to the person(s) appointed by Sponsor as the Plan administrator or named fiduciary under ERISA ("Plan Fiduciary") and the Sponsor and/or the Plan Fiduciary retains full discretionary authority and control over assets of the Plan. Sponsor and/or the Plan Fiduciary is not required to implement any recommendations made by OWM through its Financial Consultants or to otherwise conduct business through Financial Consultants. Any recommendations are based upon OWM and its Financial Consultants' professional judgment and the results are not guaranteed.

If a Sponsor selects any Consulting Services offered, OWM, acting through the Financial Consultants, agrees to perform that service solely as a service provider and "party in interest" under ERISA, and not as a fiduciary under ERISA or under any other applicable law.

In providing any Advisory Service or Consulting Service offered as part of the Retirement Plan Consulting Program, OWM and its Financial Consultants:

a) Will not, unless expressly stated in writing: (i) serve as a Plan custodian, third party administrator, record-keeper, plan administrator or named fiduciary under ERISA; or (ii) assume the duties of a trustee of the Plan. Specifically, and without limitation, OWM, acting through the Financial Consultant, has no authority, discretion or responsibility to: (i) interpret the Plan documents; (ii) handle benefit claims under the Plan; (iii) determine eligibility or participation under the Plan; (iv) calculate benefits; (v) prepare or distribute any notices to participants or beneficiaries; (vi) determine amount or timing of contributions to the Plan or distributions or withdrawals from the Plan; or (vii) select or certify any investment advice computer model. In some cases OWM's affiliate, The Oneida Savings Bank, may be retained by the Sponsor or Plan Fiduciary to perform some of these tasks (i.e., serving as custodian, trustee, record-keeper or Plan administrator or Plan Fiduciary).

b) Will have no authority or responsibility to vote proxies for securities held by the Plan or take any other action relating to shareholder rights regarding those securities, including delivering the prospectus for those securities. Sponsor or Plan Fiduciary shall retain all authority to vote proxies.

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

- c) Will not provide legal or tax advice to Sponsor, Plan Fiduciary and/or the Plan (or any Plan participant or beneficiary), and Sponsor or Plan Fiduciary agrees to seek the advice of its own legal and/or tax adviser, as to all matters concerning the Plan, including, without limitation, the operations and administration of the Plan and how the Plan may comply with applicable law, including the Internal Revenue Code of 1986, as amended (the "Code").
- d) Will not have any responsibilities or potential liabilities for (i) investments offered by the Plan that are not recommended to the Plan by OWM, acting through the Financial Consultants (e.g., employer securities, mutual funds, self-directed brokerage accounts, etc.), (ii) Plan assets that have been excluded from the advisory or consulting services to be provided by OWM, or (iii) special investment instructions made by Sponsor.
- e) Will not be responsible or liable for recommendations or services rendered by third-party service providers ("Other Provider") or the Other Provider's compliance with applicable laws, including, without limitation, ERISA and the Code.

In consideration for the Advisory Services and/or Consulting Services provided by OWM under the Retirement Plan Consulting Program, Sponsor will pay, or will cause the Plan to pay, to OWM the fee(s) described in Item 5 of this Brochure. Sponsor acknowledges that the Plan may incur other fees and expenses, including but not limited to investment-related expenses imposed by other service providers and mutual fund managers not affiliated with OWM, and other fees and expenses charged by the Plan's custodian, trustee, third-party administrator, and/or record-keeper which may or may not be affiliated with OWM. OWM's relationship with any affiliated service provider including its affiliate, The Oneida Savings Bank, will be detailed in its agreement with the Sponsor. OWM, acting through its Financial Consultants, makes no representations about any costs or expenses associated with the services provided by any affiliated or non-affiliated third parties. Fees for Services may be higher or lower than those charged for comparable services elsewhere.

Except as provided below, the only direct compensation received by OWM for Services rendered are the fee(s) described in Item 5 of this Brochure, and no increase in the fees will be effective without prior written notice as required under the Sponsor's agreement with OWM. Despite this, and not necessarily related to the services OWM shall provide under the Retirement Plan Consulting Program, various vendors, product providers, distributors and others may provide non-monetary compensation to OWM and/or its Financial Consultants by paying some expenses related to training and education, including travel expenses, and attaining professional designations. OWM and/or its Financial Consultants might receive payments from such vendors to subsidize training programs. Certain vendors may invite OWM and/or its Financial Consultants to participate in conferences, on-line training or provide publications that may further OWM and/or its Financial Consultants and employees' skills and knowledge. Some vendors may occasionally provide OWM and/or its Financial Consultants with gifts, meals and entertainment of reasonable value consistent with applicable law including securities industry rules and regulations, the Code and ERISA.

OWM and/or its Financial Consultants will not accept any direct or indirect compensation, dealers' concessions, placement fees, finder's fees, 12b -1 fees, shareholder servicing fees or revenue sharing, or any other form of hard-dollar or soft-dollar payments from Plan vendors or investment managers, other than non-monetary compensation for training and education, travel expenses, attaining professional designations, in-house training programs, conferences, on-line training, publications, gifts, meals and entertainment of reasonable value consistent with applicable law including securities industry rules and regulations, the Code and ERISA, as described above. Additionally, OWM may recommend that its advisory clients, including a Sponsor, utilize certain third-party advisers and these third-party advisers may direct brokerage business to OWM or an affiliate of OWM in its capacity as a securities broker-dealer. Neither OWM nor its affiliates receive any direct compensation for making these referrals, however OWM expects that these third-party advisers will utilize OWM (in its capacity as a securities broker-dealer), as one of its broker-dealers with whom they will place trades for their clients (which would result in trade revenue for OWM) but such activity is not dependent upon OWM's referral of its advisory clients to them. Moreover OWM and its affiliates may also receive non-monetary compensation arising out of these referral activities in the form of training and education, travel expenses, meals, etc. to the extent consistent with securities industry regulations.

Plan assets will be held at a qualified custodian. Generally, this custodian and the broker-dealer it designates will not be affiliated with the Firm. Moreover, OWM will not serve as the broker-dealer for these Plans. Its services to the Plan sponsors and Plan participants will be limited to those provided in its capacity as an investment adviser. There may however, be instances where Plan sponsors advised by the Firm may have the Plans be administered by the Pension Administration Department of our affiliate, The Oneida Savings Bank and custodied with the Trust Department of The Oneida Savings Bank. The broker-dealer or qualified custodian for these Plans may receive mutual fund sub-transfer agent fees and/or mutual fund 12b-1 fees, (collectively the fees) from investments in the Plan. OWM does not receive any portion of these fees. The broker-dealer or qualified custodian is responsible for ensuring such fees are used to offset the Plan's administrative costs and that administrative costs that remain after the application of the fees are paid by the Plan in accordance with the arrangement between the Plan and the qualified custodian. Any fees remaining should be credited to the Plan in accordance with the arrangement between the Plan and the broker-dealer or qualified custodian. Neither OWM nor its Financial Consultants maintains responsibility for reviewing and/or monitoring such fees to ensure administrative costs are properly offset.

As noted above, Custody of all Plan assets will be maintained with a third-party custodian selected by Sponsor or Plan Fiduciary, and Plan recordkeeping will be provided by a third-party record-keeper selected by Sponsor or Plan Fiduciary. Neither OWM, nor its Financial Consultants, will have custody of any Plan assets. Sponsor will be solely responsible for paying all fees or charges of the Record-keeper. Neither OWM, nor its Financial Consultants, will have any liability for custodial arrangements or the acts, conduct, or omissions of the custodian. The Plan Sponsor or Plan Fiduciary may, in their sole discretion, separately retain the Trust Department of The Oneida Savings Bank (which is an affiliate of OWM) as custodian, trustee or directed trustee, and such services will be governed by the terms of the agreements entered into between the Plan Sponsor or Plan Fiduciary and the Trust Department of The Oneida Savings Bank. The Plan Sponsor or Plan Fiduciary may, in their sole discretion, separately retain The Oneida Savings Bank (an affiliate of OWM) as third party administrator and/or record-keeper and such services will be governed by the terms of the agreements entered into between the Sponsor or Plan Fiduciary and the Trust Department of The Oneida Savings Bank. The Plan Sponsor authorizes the record-keeper to provide OWM's Financial Consultants with copies of all periodic statements and other reports that the record-keeper sends to Sponsor. Neither OWM, nor Financial Consultants, are responsible for placing trades or entering orders for securities transactions with Plan assets or executing any trades or orders. Placing and executing trades in Plan assets will be the responsibility of the Plan's record-keeper or custodian; provided that OWM's Financial Consultants may recommend to Sponsor or Plan Fiduciary that the Plan's custodian should replace an investment option offered under the Plan.

Retirement Plan Consulting Program Fees shall be paid to OWM either directly by the Plan Sponsor or by a service provider or other third party and/or out of Plan assets, as directed by Sponsor.

Person(s) signing OWM's Agreement for Retirement Plan Services on behalf of a Plan must acknowledge that he or she is authorized to do so and is a responsible plan "fiduciary" for ERISA purposes. All recommendations or investment advice provided to the Plan by the Firm and its investment adviser representative will be based upon the information provided by each Plan sponsor and/or Plan participant as applicable. The Firm and its investment adviser representatives are deemed to be a "fiduciary" for ERISA purposes only to the extent the Firm provides investment advice to the Plan and/or the Plan's participants. Neither the Firm nor its investment adviser representatives will have discretionary authority (i.e., the ability to make investment decisions without a client's prior consent) or control with respect to the Plan or Plan assets. The Plan Sponsor and Plan participants are under no obligation and are solely responsible for implementing any of the recommendations made by OWM or its Financial Consultants with respect to Plan assets. As noted above, the Firm will not serve as the broker-dealer for Plans for

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

which it provides Retirement Plan Services. Also, neither OWM nor its Financial Consultants are deemed to be a "fiduciary" to the Plan with respect to services not considered investment advice, as defined by ERISA, including but not limited to: investment education, consultation on plan design, and consultation related to evaluation and selection of service providers.

(ii) managing client assets through OWM's Wrap Fee Programs consisting of:

(a) OWM's proprietary mutual fund investment platform called Wealthsource I where OWM Financial Consultants as the portfolio manager will use a large selection of available mutual fund investment products consisting of no-load or load-waived funds to design a personalized investment portfolio for the client within one consolidated account which shall be managed by OWM on a *discretionary* basis (i.e., purchases and sales will be effected without first obtaining the client's consent).

OWM, in its capacity as a broker-dealer, is the broker-dealer of record for Wealthsource I accounts which will be custodied with OWM's clearing agent, Pershing, LLC.

As Wealthsource I utilizes a *wrap fee* arrangement clients are charged a single asset-based fee covering *both* advisory services and brokerage commission and related transaction charges).

Clients participating in Wealthsource I will have portfolios designed based on their specific investment goals, financial situation and risk tolerance. OWM Financial Consultants will utilize a variety of sources to formulate client investment strategies, including research reports, financial publications as well as public filings and will also have access to Morningstar and Standard and Poor's research tools. Wealthsource I parameters will include guidelines addressing asset class concentrations, individual security concentrations and eligible securities. Once a client's financial situation, investment objectives, risk tolerance, etc. are evaluated, OWM's Financial Consultants will explain the chosen investment strategy to the client and will then apply these techniques to design and manage the client's investment portfolio so that it continues to meet the client's investment objectives.

Clients who elect to participate in Wealthsource I or in any of OWM's other Wrap Fee Programs will receive a separate Wrap Fee Program Brochure which provides detailed information about our Wrap fee Programs and other information clients should consider before investing in Wealthsource I or any of our other Wrap Fee Programs.

(b) OWM's Wealthsource II platform which offers investment opportunities in mutual funds (no-load and load waived) *as well as* equity securities, bonds, exchange-traded funds, options and certificates of deposit on a *discretionary* basis (i.e., purchases and sales are effected without first obtaining client consent), and which also utilizes a *wrap fee* (i.e., single asset-based fee covering both advisor services and brokerage commission and related transaction charges). The Wealthsource II wrap fee generally will include ticket or execution charges, however certain Wealthsource II Clients due to the investment strategy agreed upon by OWM and the Client, may have these charges excluded from the Wealthsource II wrap fee in which case the Client will be separately billed for these charges. Wealthsource II offers clients the opportunity to have a personalized investment portfolio designed by our OWM Financial Consultants. Clients participating in the Wealthsource II will have portfolios designed by our OWM Financial Consultants based on their specific investment goals, financial situation and risk tolerance. Once a client's financial situation, investment objectives, risk tolerance, etc. are evaluated, OWM Financial Consultants will explain the chosen investment strategy to the client and will then apply these techniques to design and manage the client's investment portfolio so that it continues to meet the client's investment objectives.

OWM, in its capacity as a broker-dealer, is the broker-dealer of record for Wealthsource II accounts. These accounts will be custodied with the Firm's clearing agent, Pershing, LLC.

Clients who elect to participate in Wealthsource II or in any of OWM's other Wrap Fee Programs, will receive a separate Wrap Fee Program Brochure which provides detailed information about Wealthsource II and OWM's other Wrap Fee Programs as well as other information clients should consider before investing in Wealthsource II or any of our other Wrap Fee Programs.

(c) referring clients to third-party investment advisers based on evaluation of the client's investment objectives, risk tolerance and financial situation as part of our Pilot Program. These third-party advisers will then manage the client's account(s) on a *discretionary* basis (i.e., effecting purchases and sales without first obtaining the client's consent). The Pilot Program utilizes a *wrap fee* arrangement meaning that clients will be charged by OWM, a single asset-based fee covering *both* advisory services and resulting brokerage and related transaction charges.

Brokerage transactions resulting from the third-party advisers' management will be handled by OWM in its capacity as a securities broker-dealer and will be custodied with OWM's clearing agent, Pershing, LLC.

*In addition to OWM's wrap fee*, clients will be charged a separate advisory fee by the third-party adviser selected by the client to manage its Pilot Program portfolio.

Currently, the Firm refers clients, one or more third-party advisers, including to Manning & Napier Advisors, LLC, Hugh Johnson Advisors LLC, and Nottingham, depending on factors which include a client's investment objectives and amount of assets to be placed under management.

Your OWM Financial Consultant will analyze your investment objectives, risk assessment and financial situation and will work closely with clients to analyze and define investment objectives and needs. Based on this analysis, your OWM Financial Consultant will develop a personalized investment proposal, including a recommendation as to one or more third-party advisers who would be appropriate for managing the particular client's portfolio.

Clients who elect to participate in the Pilot Program or any of OWM's other Wrap Fee Programs, will receive a separate Wrap Fee Program Brochure which provides detailed information about the Pilot Program and our other Wrap Fee Programs as well as other information clients should consider before investing in our Wrap Fee Program.

(iii) managing client assets through our advisory-only "Advisory Services Program".

OWM's Advisory Services Program is a customized advisory program in which based upon information provided by Client as to Client's investment objectives, financial circumstances, risk tolerance, etc., OWM will provide advisory services to Client which include: (i) directly managing client's investment portfolio on a discretionary basis (i.e., Client consent not required prior to transactions being effected) ("OWM Money Manager Services"); (ii) recommend to Client that its investment portfolio be managed by a particular third-party investment adviser on a discretionary ("Outside Money Manager Services"); or (iii) recommend that a

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

Client's portfolio be managed with a combination of both OWM Money Manager Services and Outside Money Manager Services. Client portfolios in OWM's Advisory Services Program may include investments in mutual funds (both no-load and load-waived funds), equity securities, bonds (both taxable and non-taxable), exchange-traded funds, foreign securities, options, American Depositary Receipts, and oil and gas limited partnership interests.

The services provided by OWM through the Advisory Services Program are exclusively advisory in nature, accordingly any brokerage commissions and related charges incurred by Client from brokerage transactions effected based on OWM's recommendations will be separately charged to Client by the broker-dealer and/or custodian effecting those transactions. Brokerage services for OWM's Advisory Services Program will not be provided by OWM (but instead, will be provided by a third-party broker-dealer or custodian, which could include a banking affiliate of OWM depending on the client's preference.

Clients who select OWM Money Management Services understand that OWM and its Financial Consultants are authorized to purchase, sell, invest, reinvest, exchange, convert and trade, in their sole discretion (i.e., without first obtaining Client's consent), the assets held in the Client's account in a portfolio designed for Client by OWM and its Financial Consultants, as well as the dividends and distributions paid thereon, and other property held now or in the future in the account at Client's risk with full discretionary authority; and to exercise their judgment with respect to both the allocation of the assets held in the account and the selection of the Investments and the timing as to when transactions will be effected in the account, all in accordance with Client's investment guidelines, policies or limitations as communicated to Adviser and including the information provided by Client to Adviser, in the OWM New Account Form and Risk Profile form.

Clients who select OWM's Outside Money Manager Services understand that OWM and its Financial Consultants will review and analyze Client's investment objectives, financial condition, time horizons, and risk parameters based on the information Client provides to OWM and will consult with Client to identify and evaluate Client needs, perceived risk tolerance, and other pertinent investment considerations based on consultations with Client and/or documentation and other information provided by Client, including the information completed by Client in the OWM New Account Form.

Clients may also establish written investment guidelines to be used in addition to the information provided in Client's New Account Form, subject to acceptance by OWM and the third-party investment adviser. Based on OWM's understanding of your investment needs and objectives, OWM and its Financial Consultants develop an appropriate investment strategy for the management of Client's Account and a recommendation of a third-party investment adviser to directly manage Client's Account. Client is responsible for promptly bringing to OWM's attention any material changes that would impact Client's financial condition.

OWM's Investment Committee only considers and selects third-party investment advisers for recommendation to Clients after reviewing information such as the financial and organizational stability of the third-party investment advisers and its products, historical performance results, experience, and other factors deemed appropriate in the review. OWM's Investment Committee shall also confirm that third-party investment advisers are appropriately registered and classifies third-party investment advisers by investment style based solely on their representations to OWM's Investment Committee. Information that OWM's Investment Committee gathers regarding third-party investment advisers is believed to be reliable and accurate, but OWM's Investment Committee does not independently verify it.

OWM's Investment Committee conducts a review of all OWM Advisory Services Program third-party investment advisers on an annual basis and determines whether to continue to approve recommendations previously made to existing clients and whether to approve their future recommendation to new clients. The evaluation may involve, among other things, investment discipline and trends in investment philosophies.

In the event that a determination is made either during the annual review or if information at any time is received that a particular third-party investment adviser may no longer be suitable for Client, we may recommend that Client terminate Client's relationship with that third-party investment adviser.

Except as otherwise agreed to in writing or as required or permitted by law, OWM keeps confidential all information concerning Client identity, financial data and investments. We share relevant client information with (i) the Advisory Services Program third-party investment advisers in order for the third-party investment advisers to adequately manage your account, and/or (ii) certain companies that we or your selected third-party investment advisers partner with to service your account. Recommendations and advice given to you will be regarded as confidential among you and the third-party investment advisers.

Clients will have a direct contractual relationship with the third-party investment adviser and may contact the third-party investment adviser directly to discuss the management of Client's Account, Client's investment objectives and any other matters related to Client and/or the Account.

Some third-party investment advisers utilize sector concentration strategies as part of their management style which may concentrate Client portfolios in one or more economic sectors. Under the Outside Money Manager Services Program, OWM will not monitor the account for any third-party investment adviser's use of sector concentration strategies. Questions regarding any third-party investment adviser's ability to implement such a strategy should be directed to the third-party investment advisers.

4C. Tailoring Advisory Services to Clients Needs. As explained in Item 4B above, each of the investment programs offered by the Firm are tailored to the individual needs of our clients and clients may impose their own restrictions on investing in certain types of securities subject to OWM's approval and the approval of any third-party adviser, if applicable.

4D. Wrap Fee Account Management and Fees. There is no difference between how the Firm manages its Wrap Fee Program client accounts and its non-wrap fee client accounts. As OWM acts as both adviser and broker for its Wrap Fee Programs, receives the advisory and brokerage components of wrap fee charged clients as compensation for its advisory and brokerage services. Pilot Program clients will also be charged a separate advisory fee by the third-party advisers they select to manage their portfolios.

Except for the fee structure for OWM's Wrap Fee Programs, the advisory services provided to clients who participate in these programs will not differ from the management of a non-wrap fee client account utilizing a similar investment strategy. OWM and its Financial Consultants who manage client accounts in a Wrap Fee Program each receive a portion of the fee charged as does the brokerage firm which effects the resulting trades in the account. For each of the Wrap Fee Programs, OWM acting in its capacity as a broker-dealer, will effect the resulting trades in client accounts, and, therefore, OWM and those Financial Consultants who also serve as broker registered representatives will also receive a portion of the wrap fee allocated for brokerage charges.

4E. Clients Assets Currently under Management. As the Firm is only now seeking registration with the SEC as an investment adviser, as of the date of this brochure, it does not currently have any client assets under management on either a discretionary or non-discretionary basis.

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

5A. Fees for Advisory Services.

Last Rev. July 2014

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

**Retirement Plan Consulting Program Fees.** OWM shall be compensated for services provided under the Retirement Plan Consulting Program with an annual fee generally equal to between .20 and .60 basis points of Plan assets. This fee is negotiable with each Client based upon the Client's particular circumstances, including services selected by Client, asset size of the Plan, number of participants and the type of Plan. Clients may elect to have their fee to OWM calculated either based on a percentage of Plan assets (generally in the range of .20 - .60 basis points) or an annual flat fee as agreed to by OWM and Client based upon factors such as the services to be performed by OWM, the sizes of the Plan and number of Plan participants. New Clients which have operating Plans may elect to be charged an additional transaction expense fee by OWM based on a percentage of Plan assets under management (typically .25 to 1.0 basis points) to cover additional services provided by OWM as a result of the transfer of the Plan to a new investment provider (i.e. OWM). These services may include requests for proposals and corresponding presentations, fund mapping, assistance with agreement documentation, enrollment matters, additional education to Plan committee members and Plan participants, etc.)

Regardless of the fee structure and fee options selected, the maximum annual fee charged Clients will be 2.00% inclusive of both the asset based or flat fee and/or any transition expense fee.

All fees are billed in arrears on the last day of either each calendar quarter, month or year (as selected by Client) based on the value of the account on the last business day of the ending quarter, month or year. Client or OWM may terminate its Retirement Plan Consulting arrangement without charge or penalty upon 30 days prior written notice to the other party(ies) in which case OWM will be entitled to a pro-rated fee from Client calculated until the day prior to the date of termination. OWM's fees are separate and distinct from other fees that might apply, including transaction fees, underlying mutual fund fees and expenses paid to the fund by shareholders of the fund as outlined in each fund's prospectus, and custodian fees.

Clients may elect to either be billed directly by OWM for Retirement Plan Consulting fees or in the alternative, may authorize that OWM's fees be paid by a Plan service provider (i.e., custodian, third-party administrator or record keeper, etc.)

#### Wealthsource I; Wealthsource II; and Pilot Program

Refer to OWM's Wrap Fee Brochure for a description of the fees charged to clients investing through our Wrap Fee Programs.

#### Advisory Services Program

Advisory Services Program fees are asset-based and negotiable and are based, in part, on the annual percentage guidelines set forth below as well as considerations such as the size of Client's account, the amount of time Client has had an account with OWM, the combined value of Client's related advisory accounts, the total amount of business Client conducts through OWM, and the types of securities in Client's account.

Client is responsible for all fees, such as custodial fees, brokerage commissions and related transaction charges, account maintenance fees, third-party adviser fees (if any) and any other fees assigned by their third party custodian or broker-dealer and, if applicable, the outside investment manager.

The guideline schedule of fees for the Advisory Services Program is listed below.

Client Assets	Annual Percentage
<u>Under Management</u>	<u>Fee Range</u>
\$50,000 - \$150,000	.45-1.45
\$150,000-\$500,000	.30-1.20
\$500,000-\$2M	.20-.95
\$2M+	Negotiable

Clients are assessed Advisory Services Program fees in advance, at the beginning of each calendar quarter and are calculated based upon the market value of the Client's account as of the close of business on the last business day of the previous calendar quarter, provided however, that (a) with respect to Client's initial fee, this fee shall be based upon the value of Client's account as of the day the account's assets are placed under OWM's supervision, pro-rated for the balance of the calendar quarter, and (b) if the broker-dealer or the clearing agent maintaining the account, only issues statements of the account as of the last business Friday of each month (or the next preceding business day if such Friday is a holiday) then the date of the statement so issued as of the last month in any calendar quarter shall be deemed to be the last business day of such quarter. Asset-based fees may be adjusted proportionately based on the value of cash or securities added or withdrawn from the account between quarterly periods. Clients will arrange for OWM to receive duplicate statements which will be used by OWM to generate an invoice for OWM's advisory fee. Client may, if third-party custodian or broker-dealer allows, for OWM to send duplicate invoice to third-party custodian or broker-dealer for remittance of OWM's advisory fee.

In all cases, the maximum effective annual Advisory Services Program fee paid will not exceed 2% annually.

If Client's Advisory Services Program Agreement with OWM is terminated prior to the last day of a calendar quarter, a pro-rated portion of your OWM's then unearned fee will be refunded to Client based on the days remaining in that calendar quarter.

Advisory Services Program Clients can choose *either* to be billed directly by OWM at the beginning of each calendar quarter for their OWM Advisory Services Program fee *or* to authorize the broker-dealer or third-party custodian maintaining Clients account to deduct OWM's fee directly from the account and to then remit the same to OWM pursuant to the invoice OWM shall deliver to such broker-dealer or custodian and the broker-dealer or custodian shall not be required to separately verify OWM's calculation of such fee.

#### 5B. Method of Payment for Advisory Fees

Refer to Item 5A above and Item 4 of our Wrap Fee Brochure.

#### 5C. Any Other Fees and Expenses

OWM's wrap fees, OWM's fees charged Retirement Plan Consulting Program clients and advisory-only clients participating in OWM's Advisory Services Program, do not include other charges that clients may also incur. These additional charges include custodial fees for the account that will be established with a custodian to hold the client assets, mark-up or mark-downs charges or dealer spread charges paid to market makers or other principals from whom securities are obtained for your account, other charges imposed by the clearing firm where client accounts are custodied or maintained.

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

These other fees and expenses may also include:

- \* commissions, mark-ups, spreads, and other transactional charges on securities transactions effected through or with broker and dealers other than us;
- \* qualified retirement plan account fees, and other account maintenance fees, where applicable;
- \* our usual and customary transaction charges on the liquidation of assets not eligible for a program;
- \* any contingent deferred sales charges assessed on the sale or liquidation of mutual fund shares, where applicable;
- \* redemption charges imposed by certain mutual funds (see fund prospectus for details);
- \* short-term trading charges for purchases and corresponding redemption's of certain mutual fund shares (see fund prospectus for details) made within a short period of time;
- \* management and other fees on certain securities, which may include open-end and closed-end mutual funds, unit investment trusts, exchanged-traded funds
- \* safekeeping fees for physical securities.

Additionally, with regard to Plan participants serviced as part of our Retirement Services Consulting Program and advisory-only clients participating in OWM's Advisory Services Program and our Wrap Fee Program clients all of who may invest all or a portion of client assets in mutual fund products, clients will be charged fees and expenses by the underlying mutual fund in which it invests which are charged to all fund shareholders. Clients should review the prospectus for each of the mutual funds in which they invest for a complete description of these charges. Typically, these charges will include charges related to fund transfers, exchanges and withdrawals, fees related to the marketing and distribution of fund products (the so-called "Rule 12b-1 fees") mutual fund management fees, administrative expenses, certain deferred sales charges on previously purchased mutual fund shares, other transaction charges and service fees. However, management of OWM has enacted a policy whereby all client accounts will have 12b-1 fees credited back to their accounts by the Firm.

Mutual fund companies make payments, which may be based on assets and/or sales volume, to us via the fund's distributor, investment advisor, or other entity. These payments are generally made from the management fees they earn and may, where permitted under applicable regulatory requirements, be made to and retained by OWM and its Financial Consultants. Financial Consultants may receive a portion of these payments for distribution and servicing expenses related to shares of mutual funds.

To the extent any client accounts are administered, custodied or utilize the services of the Pension Administration Department and/or Trust Department of the Firm's affiliate, The Oneida Savings Bank, this affiliated company may be paid any one or more of these additional charges.

Clients participating in one of our Wrap Fee Programs should refer to Item 4C of OWM's Wrap Fee Brochure for a description of additional fees.

Refer also to Item 12 of this Brochure which also discusses brokerage matters.

#### 5D. Payment of Fees in Advance and Refund of Pre-Paid Fees

Refer to Item 5A above for a description of the Retirement Plan Consulting Program fee payment and refund policies.

Clients participating in our Wrap Fee Programs should refer to Item 4A of OWM's Wrap Fee Brochure.

Advisory-only client fees under OWM's Advisory Services Program are assessed quarterly in advance. If an agreement for services under OWM Advisory Services Program is terminated after advisory fees have been collected in advance for a given quarterly period, clients will receive a pro-rata refund of any portion of the fee paid by the client with respect to the remaining quarter in which the termination became effective. The client will have immediate access to the assets in his or her account, subject to any limitations or restrictions imposed by the custodian for the OWM Advisory Services Program portfolio. Moreover, in the event a client terminates an OWM Advisory Services Program Agreement, OWM will cease to be entitled to receive fees from the client for any quarterly period following the one in which the termination occurs.

#### 5E. Compensation from the Sale of Securities

5E1. All of OWM's Financial Consultants offering investment advice to clients are also registered representatives of the Firm in its capacity as a securities broker-dealer. With the exception of clients participating in the Firm's Retirement Plan Consulting Program and advisory-only clients participating in OWM Advisory Services Program, all of the brokerage transactions for OWM's advisory clients will be effected through OWM. OWM is aware that the dual-association of its Financial Consultants who offer both investment advice and broker-dealer services (and in many cases their additional licensing to offer insurance products through OWM (which is also an independent insurance agency)) presents a conflict of interest and gives an incentive to these Financial Consultants to recommend investment products and offer investment advice based on the compensation they may receive, rather than on a client's individual needs and investment objectives.

To address these conflicts, the Firm discloses these relationships to clients at the time they open their accounts and has the following procedures in place.

Potential investment advisory clients are advised that, with the exception of the Retirement Plan Consulting Program and advisory-only clients participating in OWM's Advisory Services Program, unless otherwise instructed, OWM employees will process their requests to effect trades in securities through OWM acting in its capacity as a securities broker-dealer. The brokerage commissions charged by OWM are competitive with similarly situated full-service retail broker-dealers offering the same variety of securities to clients.

With regard to the Firm's Retirement Plan Consulting Program, and Advisory Services Program, OWM may suggest broker-dealers to clients to effect and effect resulting brokerage transactions and custody funds and securities. These broker-dealers are suggested based on consideration of a number of factors, including but not limited to, their familiarity with the securities to be sold or purchased, their execution skills, their order-flow capabilities, their commission rates or other fee schedules, their access to underwritten securities, their custodial services, their level of net capital (financial strength) and excess SIPC and other insurance coverages.

While OWM in its capacity as a broker-dealer and these other broker-dealers may charge commissions higher than those obtainable from other broker-dealers, the Firm will only cause its clients to pay brokerage commissions which it has determined, in good faith, to be reasonable in relation to the

Last Rev. July 2014

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

value of the brokerage and other services provided by such securities broker-dealers. The Firm will base its broker-dealer selection decision upon the particular transactions involved and the Firm's overall responsibilities with respect to all client portfolio management accounts.

In their capacity as broker registered representatives, all of the Firm's Financial Consultants receive commission-based compensation derived from the purchase and sale of securities (such as stocks, bonds, variable annuities, etc.) in client accounts including marketing and distribution fees (so called "12b-1 fees") paid by mutual funds to brokers who market their funds. When suitable for a particular client, we generally recommend investments in no-load mutual funds. Such commission-based compensation earned and 12b-1 fees is *in addition to* the Firm's advisory fees. This presents a conflict of interest because these individuals have an incentive to effect securities transactions for purposes of generating commissions rather than based solely on a client's investment needs. However, with regard to Wrap Fee Program accounts and certain advisory-only Advisory Services Program Accounts, clients will have 12b-1 fees they incur credited back to their accounts by the Firm.

Additionally, most of the Firm's Financial Consultants are also licensed as independent insurance agents with the Firm which is also licensed as an independent insurance agency and with other third-party independent insurance agencies selling insurance products to Firm clients (i.e. life, health, and disability, variable annuity products). These individuals and the Firm (in its capacity as an independent insurance agency) will earn insurance commissions on the sale of these insurance products. These insurance commissions are separate, distinct and *in addition to* advisory fees charged by the Firm. This situation presents a conflict of interest because our investment advisor representatives who are also licensed insurance agents of the Firm in its capacity as an independent insurance agency, have an incentive to recommend insurance products to clients for the purpose of generating insurance commissions rather than solely based on the client's needs. However, clients are under no obligations, contractually or otherwise, to purchase insurance products through any person associated with our Firm.

The brokerage commissions charged by the Firm are competitive with similarly situated full-service retail broker-dealers offering the same variety of securities to clients. Clients are advised, however, that they may be able to effect transactions in securities through other securities broker-dealers at lower commission rates.

5E2. As noted in 5E1 above, clients in our Retirement Plan Consulting Program and our advisory-only Advisory Services Program will purchase investment products recommended by the Firm through third-party securities broker-dealers or custodians.

5E3. OWM does not derive most of its revenue from advisory clients from commissions or other transaction-based compensation.

5E4. With regard to the Firm's Wrap Fee Programs, the wrap fee charged is composed of an asset-backed fee for advisory services and a fee to cover brokerage commissions and certain related transaction charges. The Firm receives the portion of the wrap fee attributable to brokerage and related charges since it also acts as the broker-dealer for these accounts. However, to the extent any client accounts incur 12b-1 charges for the purchase of mutual fund shares, these fees will be credited back to the clients account.

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

OWM does not charge clients performance-based fees (i.e., fees based on a share of capital gains or capital appreciation of client assets).

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

Our clients consist of individuals, including high net worth individuals, foundations, trusts, estates, IRAs of individuals and pension and profit sharing plans. On occasion, our clients may also include charitable organizations, corporations or other business entities.

Minimum account size requirements for our Advisory Services Program is \$100,000.00 or the third-party adviser's minimum (if applicable), whichever is greater. Additionally, under certain circumstances, account minimums may be higher based on the services provided by OWM including the investment strategy employed by OWM, and/or the third-party adviser, as the case may be.

There are no plan size minimums for our Retirement Plan Consulting Program.

Minimum account size requirements for each of OWM's Wrap Fee Programs are set forth in our Wrap Fee Brochure.

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

8A. Methods of Analysis and Investment Strategies. OWM and its Financial Consultants are responsible for determining and implementing investment advice for Client accounts. Various techniques may be utilized in analyzing investments for Clients which may include, but are not limited to, charting, fundamental analysis, technical analysis, cyclical analysis and dollar cost averaging. Clients are advised that there is no guarantee, stated or implied, that the client's investment goals or objectives will be achieved and that investing in securities involves risk of loss that clients should be prepared to bear. As a result of this inherent risk, OWM and its Financial Consultants advise Clients that we cannot guarantee or even imply that our services and methods of analysis can accurately forecast future returns, accurately identify market highs and lows, or protect investors from investment losses as a result of economic downturns and market corrections.

OWM's Investment Committee also periodically reviews asset allocations in investment models utilized by the Firm to ensure that they are appropriate given current market conditions. The Investment Committee also analyzes and reviews the mutual funds and/or families of funds included in these models.

All methods of analysis and investment strategies involve some material risks, including the risk of loss. Some of the material risks involved in charting and technical analysis includes the potential for a lack of consideration given to the intrinsic value of specific investments. Technical analysis and charting focus primarily on economic factors and market conditions, which may overlook variables specific to a particular investment.

On the other hand, fundamental analysis generally focuses on more specific variables, such as a public companies financials, sales, earnings, debt, management, and assets. As a result, fundamental analysis includes the risk of not taking into consideration the overall state of the economy and markets. Cyclical analysis is also subject to material risks, which include uncertainty over how long cycles will last, when they will peak and when they will reach a bottom.

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

While much less common and not recommended to most Clients, OWM and its Financial Consultants may provide short term trading as an investment strategy, or as part of, an investment strategy. In general, short term trading is a strategy that often involves more frequent trading where the Financial Consultant will try to identify the best times to be in and out of the market. This service is designed to take advantage of stock market fluctuations by being invested based on the anticipated market direction. Clients should be aware that this strategy is considered an aggressive, higher-risk investment strategy. Only clients that are looking for a speculative investment strategy should participate in a short term trading strategy offered by OWM and some of its Financial Consultants.

The majority of investment recommendations made by OWM and its Financial Consultants through OWM's various programs involve the use of mutual funds. Investing in mutual funds involves material risks, including the risk of loss. One of these material risks is the cost of sales charges, annual fees and other expenses impairing fund performance. Another risk is the potential for tax implications as a result of income and capital gains distributions. Clients may have to pay taxes on these distributions even if the mutual fund went on to perform poorly after shares were purchased. Lack of control is also a risk that investors encounter. Investors and Financial Consultants typically cannot ascertain the exact make-up of a mutual fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades. Another risk with mutual fund investments is price uncertainty.

Mutual fund investors face this risk because the price at which shares are purchased and sold is based on the fund's net asset value, which may not be calculated until many hours after the transaction has already been processed. Client's should read a fund's prospectus and shareholder reports to learn about its investment strategy and the potential risks. For additional information on investing in mutual funds, we recommend reviewing the SEC's Invest Wisely, An Introduction to Mutual Funds, which can be found at the following web address: [www.sec.gov/investor/pubs/inwsmf.htm#pitfalls](http://www.sec.gov/investor/pubs/inwsmf.htm#pitfalls).

Some of the common risks Clients should consider prior to investing include, but are not limited to:

**Market risks:** The prices of, and the income generated by, the common stocks, bonds, and other securities you own may decline in response to certain events taking place around the world, including those directly involving the issuers; conditions affecting the general economy; overall market changes; local, regional, or global political, social, or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate, and commodity price fluctuations.

**Company risks:** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

**Options Risks:** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

**Interest rate risks:** The prices of, and the income generated by, most debt and equity securities may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities. For example, the prices of debt securities generally will decline when interest rates rise and will increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, "call," or refinance a security before its stated maturity date, which may result in having to reinvest the proceeds in lower-yielding securities.

**Credit risks:** Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default.

**Foreign Market Risks:** Investments in securities issued by entities based outside the United States may be subject to the risks described above to a greater extent. Investments may also be affected by currency controls; different accounting, auditing, financial reporting, disclosure, and regulatory and legal standards and practices; expropriation (occurs when governments take away a private business from its owners); changes in tax policy; greater market volatility; different securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transactions or in receiving payment of dividends. These risks may be heightened in connection with investments in developing countries. Investments in securities issued by entities domiciled in the United States may also be subject to many of these risks.

Your investments are not bank deposits and are not insured or guaranteed by the FDIC or any other governmental agency, entity, or person, unless otherwise noted and explicitly disclosed as such, and as such may lose value.

Clients need to be aware that investing in securities involves risk of loss that clients should be prepared to bear.

8B. Material Risks of OWM Investment Strategies. Refer to Item 8A above.

8C. Material Risks of Recommendation in Particular Securities. Refer to Item 8A above.

#### **Item 9 Disciplinary Information**

9A. Not Applicable.

9B. Not Applicable.

9C. Not Applicable.

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

10A. Broker-Dealer Registration. The Firm is registered as a securities broker-dealer with the SEC and a member of FINRA, the MSRB and SIPC. All of OWM's Financial Consultants are also registered representatives with the Firm in its capacity as a securities broker-dealer.

10B. Commodities and Futures Registration. Not Applicable.

10C. Material Relationships with Related Parties. The Firm's status as a broker-dealer is material to its advisory business as the Firm anticipates that except for its Retirement Plan Consulting Program and advisory-only clients, most of the securities transactions resulting from its advisory activities will be effected

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

through the Firm in its capacity as a broker-dealer. This situation creates a material conflict of interest with clients since the Firm will be compensated as both the adviser and broker-dealer for a client's account. The Firm addresses this conflict by disclosing this dual association to our clients and not requiring that brokerage clients purchase advisory services through the Firm or any person associated with our Firm.

The Firm is also licensed as an independent insurance agency and all of its management persons are also independent insurance agents with the Firm (management person). The Firm's status as an insurance agency is material to its advisory business because the Firm is always seeking to expand its client base from one business line into another. Therefore this dual-registration status creates a material conflict since the Firm is also in a position to generate insurance-based commissions to clients by offering to sell these products to them. The Firm addresses this conflict by disclosing this dual association to clients and not requiring that they purchase insurance products through the Firm or any person associated with the Firm.

The Firm is a wholly-owned subsidiary of The Oneida Savings Bank, a New York State-chartered FDIC insured stock savings bank and is part of the Oneida Financial Corp. (Nasdaq: ONFC) family of companies. The Firm and The Oneida Savings Bank also have some common executive officers and directors. Also, client assets may be custodied and/or serviced by the Trust Department and/or the Pension Administration Department of The Oneida Savings Bank. The Firm will operate from offices located on the premises of four The Oneida Savings Bank branch locations of The Oneida Savings Bank where the Firm will make available to clients and prospective clients, investment advisory, brokerage and insurance services. The Firm's affiliation with The Oneida Savings Bank is material to its advisory business and creates a material conflict of interest with advisory Firm clients. This conflict is addressed by disclosing this relationship to clients when they open an account with OWM. Moreover, The Oneida Savings Bank clients are under no obligation to purchase advisory or other available services through the Firm or any person associated with our Firm.

As noted above, The Oneida Savings Bank also has a Pension Administration Department and a Trust Department. The Pension Administration Department acts as a pension consultant to employee benefits plans some of which may be our advisory clients. The Oneida Savings Bank's Trust Department maintains custody of and act as a qualified custodian for its clients' funds and securities, including some of the Firm's advisory client account assets as some of our advisory clients may elect to have their account assets custodied with The Oneida Savings Bank's Trust Department rather than the Firm's clearing agent, Pershing LLC. This may occur when for example, a Firm client is in need of trustee services and a referral is made by the Firm to our affiliate's Trust Department or if the sponsor of a Plan administered by our affiliate is in need of Retirement Plan Services.

10D. **Compensation for Recommendation of other Investment Advisers.** Through OWM's Pilot Program, the Firm recommends and selects other investment advisers to manage client assets on a discretionary basis with OWM also serving as the broker-dealer for Pilot Program client portfolio. Accordingly, OWM and its Financial Consultants also receive commission compensation derived from the brokerage transactions effected based on the third-party adviser's recommendations. This compensation constitutes a portion of the wrap fee OWM charges Pilot Program clients. This arrangement creates a material conflict of interest because the Firm and its investment adviser representatives have an incentive to recommend the Pilot Program to clients based on the compensation received for both its advisory and brokerage services, rather than on the individual client's needs.

Additionally, OWM and its Financial Consultants may recommend that its non-wrap fee clients utilize the services of these third-party advisers. While OWM and its Financial Consultants will not receive any direct compensation for these referrals, OWM expects that these third-party advisers will utilize OWM as one of the broker-dealers with whom they place trades for their clients (which would result in trade revenue to OWM) but such activity is not dependent on OWM's recommendations to its advisory clients.

The Firm addresses this conflict by disclosing the nature of this arrangement to clients at the time they open their account.

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

11A. OWM has adopted a "Code of Ethics" which sets forth the standards of conduct expected of our advisory personnel, and which addresses the conflicts that can arise from personal trading by them. The Code of Ethics requires periodic reporting to Firm management by our advisory employees through duplicate copies of brokerage confirmations and brokerage account statements or otherwise so that we can monitor their personal securities trading to prevent any violations of the Code of Ethics or other conflicts of interest which could result from personal trading by our advisory employees. The Code of Ethics also includes provisions relating to the confidentiality of client information, a prohibition on trading on inside information, among other things. All of our advisory personnel must acknowledge the terms of the Code of Ethics annually as part of their completion of our Annual Questionnaire and Acknowledgment Form. A copy of the Code of Ethics will be provided to clients or prospective clients upon request.

11B. Not Applicable

11C. As stated in the OWM's Code of Ethics which is available upon request, while OWM itself does not invest in securities, its principals and employees may effect personal securities transactions. Since almost all of the securities recommended to clients are shares in open-end, management companies (mutual funds) there is little chance, if any, that the Firm or any of its associated persons will be in a position to take advantage of an opportunity in a particular security before such security is offered to a client. "Personal accounts of OWM employees are monitored against transactions executed within accounts of Clients. OWM employees and accounts for members of their same household must refrain from executing a personal trade in the same security as that of Client on the same day unless the Client receives the better price or both trades are completed as a block trade and average pricing is applied. (excluding open-end mutual funds and general obligations of the United States). Any transaction deemed not consistent with this policy is subject to cancellation or correction at OWM's employee's expense." Transactions found in violation of this policy will be bought in or sold out of the employee's account at the employee's expense. In addition, OWM's employees must report all transaction in securities other than open-end mutual funds, variable products and government securities they have effected for their own account or a member of their household on a quarterly basis. Moreover, as all of OWM's employees offering investment advice to the Firm's clients are also registered representatives of the Firm in its broker-dealer capacity, they are also subject to FINRA Rules and are mindful of the Firm's responsibility to review their personal securities transactions.

11D. Refer to response to Item 11C above.

#### **Item 12 Brokerage Practices**

OWM does not select or recommend broker-dealers for Client transactions.

Clients should be aware that if they direct the Firm to use a particular broker that it may limit the Firm's ability to achieve best execution, negotiate commissions with other brokers on behalf of the client, or limit the client's participation in block trading.

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

12A1. Research and other Soft Dollar Benefits. Not Applicable.

12A2. Brokerage for Client Referrals. Not Applicable.

12A3. Directed Brokerage.

a. Refer to in Item 10D above. By requiring that client's use our brokerage services we may be unable to achieve most favorable execution for client transaction and this practice may cost clients more money.

Also, OWM may recommend that certain advisory clients such as Plans or Clients participate in our Pilot Program utilize certain third-party advisers and these third-party advisers may direct brokerage business to OWM or an affiliate of OWM. OWM does not receive any direct compensation for making these referrals, however OWM expects these third-party advisers will utilize OWM (in its capacity as a securities broker-dealer) as one of its broker-dealers with whom they will place trades for their clients (which would result in trade revenue for OWM) but such activity is not dependent upon OWM's referral of its advisory clients to them. OWM may therefore have an incentive to select or recommend a third-party adviser based on OWM's interest in receiving this trade revenue.

b. Certain OWM clients that opt to execute their brokerage transactions other than through OWM should be aware that the Firm may not be able to obtain the most favorable execution of client transactions. Clients who elect to direct their brokerage away from OWM may cost themselves more money. For example, clients under these circumstances may pay higher brokerage commissions because OWM may not be able to aggregate orders to reduce termination costs, or clients under these circumstances may receive less favorable prices.

12B. The Firm may aggregate the purchase or sale of securities for client accounts when the Firm deems it appropriate to obtain the best execution and to equitably allocate among its clients the difference in price that might have been obtained had such orders been placed independently. For example, orders may be combined or "batched" when a large number of clients are seeking to sell and/or buy a particular security.

Purchases and sales that are not aggregated when the opportunity exists will be placed in an order that does not give preferential treatment to one client over another. For example, in alphabetical or account number order. Not aggregating orders when the opportunity exists can cause potential costs to clients that are generally price related. Generally larger orders and round lot orders (100 share of stock or five bonds) receive better execution than smaller orders.

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

13A. Generally reviews of accounts, at a minimum, will be conducted on a quarterly basis. Clients are informed that if their investment objectives or financial condition change during the course of their investment program they should notify their Financial Consultant or OWM. This notification will trigger an account review. To the extent OWM's advisory services include Client referrals to third-party advisers these third-party advisers provide reporting, monitoring and review services as described in their respective contracts with the client.

Within Wealthsource I & II, OWM provides Financial Consultants and their clients with quarterly reports detailing performance, activity in the account, and account holdings.

Within Pilot, Advisory Services Program and Retirement Plan Consulting, the custodian of the client's account will provide written confirmation of buy and sell activity, as well as a statement (at least quarterly) detailing all account activity and positions owned.

Wealthsource I and Wealthsource II accounts will also be reviewed by OWM's Program Surveillance team, at a minimum, on a quarterly basis and advise the Financial Consultant if a client's portfolio requires a reallocation to continue to achieve the client's investment objective.

13B. In addition to the regularly scheduled reviews described above, additional reviews may be conducted based on various circumstances including, but not limited to:

- \* changes in client financial circumstances
- \* contributions to and withdrawals from accounts
- \* year end tax planning
- \* changes in market conditions
- \* security specific events and/or
- \* changes in client risk/return objectives

13C. For clients who participate in OWM's Retirement Plan Consulting Program, Pilot Program or Advisory Services Program, OWM shall receive from the custodian for these accounts, duplicate confirmations and statements. Duplicate statements will be provided on either a monthly or quarterly basis.

For clients who participate in the Wealthsource I and Wealthsource II programs, will be provided with quarterly written reports detailing performance, activity in the account and account holdings. Additionally, the custodian of the client's account (*i.e.* Pershing, LLC) will provide written confirmation of buy and sell activity, as well as a statement (at least quarterly) detailing all account activity and positions owned.

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

14A. Receipt of Economic Benefits from Persons other than Clients. Certain mutual funds and variable annuities in which clients may be invested may pay marketing fees (such as Rule 12b-1 fees), services fees, shareholder service fees or bonus commissions to OWM Financial Consultants for marketing assistance or the performance of certain administrative tasks associated with making an investment in such fund or annuity. Since OWM Financial Consultants are also licensed registered representatives of the Firm in its broker-dealer capacity, these individuals may receive Rule 12b-1 distribution fees from mutual funds in which they have placed client assets. However, with regard to client accounts in the Firm's Wrap Fee Programs and advisory-only accounts participating in the Advisory Services Program, all Rule 12b-1 fees incurred will be credited back to client accounts by the Firm.

OWM may also recommend third-party advisers to certain clients. While OWM does not receive any direct compensation for these recommendations, OWM expects these third-party advisers will utilize OWM (in its capacity as a broker-dealer) as one of the broker-dealers with whom they place trades for their clients, which will result in trade revenue to OWM. However, such activity is not dependent on OWM's recommendation to its clients.

## Form ADV – Part 2A

### Oneida Wealth Management, Inc. (SEC No. 801-79875)

Since OWM Financial Consultants are also licensed insurance agents, to the extent they sell advisory clients or other clients insurance products, they will also receive commissions from the insurance companies and agencies on these sales.

The Firm also participates in Pershing, LLC's FUNDVEST® ticket charge program. Through FUNDVEST®, the Firm may receive compensation based upon a service agreement that Pershing, LLC has entered into with various mutual funds and their money market funds. Revenues received by Pershing, LLC under these agreements allow the fund custodian to waive certain ticket charges for the participating funds. Asset-based and other revenues from such service agreements are shared between Pershing, LLC and the Firm. Pershing, LLC's FUNDVEST® eligible funds are available in the Firm's Wealthsource I and Wealthsource II programs.

OWM Financial Consultants are not paid a higher percentage rate for selling mutual funds or recommending money market funds that are included in that are part of FUNDVEST®. Further information about a particular fund's fees and expenses can be found in its prospectus.

14B. Compensation of Third-Parties for Client Referrals. Neither the OWM nor OWM Financial Consultants have any solicitor or referral arrangements with third parties for client referrals.

#### **Item 15 Custody**

While OWM itself does not maintain possession of client funds or securities, the Firm is deemed to have custody of certain client funds and securities because a "related person: (i.e., its affiliate, The Oneida Savings Bank may hold funds or securities of certain of our advisory clients in connection with advisory service we provide to these clients. Specifically, the Trust Department of The Oneida Savings Bank may serve as the trustee for certain of our client advisory accounts and the cash and securities in these accounts may also be custodied at The Oneida Savings Bank rather than with our clearing firm, Pershing LLC. Additionally, with regard to retirement plans where we provide investment advisory services to Plan sponsors as part of our Retirement Plan Services, some of these Plans may be administered by the Pension Administration Department of our affiliate, The Oneida Savings Bank and custodied through the Trust Department of The Oneida Savings Bank.

Clients maintaining accounts with The Oneida Savings Bank will be receiving quarterly account statements directly from The Oneida Savings Bank which clients should carefully review. In addition, these clients will also receive account statements from the Firm on a quarterly basis. The Firm urges these clients to compare the account statements received from The Oneida Savings Bank with the statements they receive from the Firm.

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

OWM has *discretionary* authority over client accounts in the Wealthsource I, Wealthsource II and advisory-only Advisory Services Program accounts. This means that OWM will make investment decisions for clients *without first* obtaining client consent before purchases and sales of securities are made.

Discretion is granted to OWM in the Investment Advisory Agreement the client enters into with OWM when it opens its account. Once discretion is granted, OWM and OWM's Financial Consultant assigned to the client will be authorized to manage the client's account, including determining what securities to hold, sell, exchange and invest and otherwise deal with the account's assets in a manner determined to be in the client's best interest without first obtaining the client's consent to every transaction.

Client accounts in the Pilot Program will be managed on a discretionary basis by the third-party adviser (not OWM). Clients grant the third-party advisers this authority in the investment advisory agreement the client enters into with the third-party adviser.

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

17A. For Retirement Plan Consulting Services Program, Wealthsource I and Wealthsource II and Advisory Services Program client accounts, it is the Firm's policy not to vote client securities but rather to have clients exercise their own proxy voting rights.

For Pilot Programs accounts, Clients should refer to the Form ADV brochures for their third-party advisers for a complete description of their proxy-voting policies.

17B. Clients in the Retirement Plan Consulting Services Program, Wealthsource I and Wealthsource II Programs and Advisory Services Program will receive all proxy voting materials or other solicitation materials issued for securities directly from the custodian which holds that client account. For Pilot Program accounts Clients should refer to the third-party adviser's Form ADV Brochure for its proxy policies.

#### **Item 18 Financial Information**

A. OWM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

B. To the best of its knowledge OWM is not aware of any financial condition that is reasonably likely to impair OWM's ability to meet contractual commitments to clients.

C. Not Applicable.

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

Not Applicable.