

**FORM ADV PART 2A APPENDIX 1**

**Wrap Fee Program Brochure**

**Brochure Cover Page**

**Oneida Wealth Management, Inc.**

Phone: (315) 474-1707

Email: [scott@oneidawealth.com](mailto:scott@oneidawealth.com) or [chacity@oneidawealth.com](mailto:chacity@oneidawealth.com)

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**This Wrap Fee Program 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 [chacity@oneidawealth.com](mailto:chacity@oneidawealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") 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).

Oneida Wealth Management, Inc. may refer to itself as a "registered investment adviser" or describe itself as being "registered" in this Wrap Fee 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 SEC.

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**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. is now applying for registration as an investment adviser with the SEC and this Wrap Fee Program Brochure is part of its initial Form ADV filing.

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**Item 4 Services, Fees and Compensation**

**4A. Description of Wrap Fee Programs, Fees and Portfolio Manager Compensation**

Oneida Wealth Management, Inc. (sometimes referred to as "OWM", the "Firm", "we" or "our") and its "Financial Consultants" offer several advisory programs to clients affording clients the opportunity to invest in products utilizing a variety of investment management styles, including three products which are structured as "Wrap Fee Programs" which are described in detail in this Wrap Fee Program Brochure.

The "Wrap Fee Programs" 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 resulting brokerage transactions effected based on the advisory advice provided. In our Wealthsource II Wrap Fee Program, however, on occasion and as a result of the investment strategy agreed upon by OWM and the client, certain clients may have ticket and execution charges excluded from the wrap fee. Such clients being separately billed for these charges.

OWM's Wrap Fee Programs include two investment platforms, one of which invests exclusively in mutual fund products consisting of no-load and load-waived funds ("Wealthsource I") and the other which invests in no-load and load-waived mutual funds as well as other equity securities, bonds (both taxable and non-taxable), exchange-traded funds, options (covered calls and protective puts) and certificates of deposit ("Wealthsource II"). For these programs the Firm acts as the program sponsor as well as the investment adviser and executing broker-dealer. Investment decisions for client accounts in Wealthsource I and Wealthsource II will be made by OWM on a *discretionary* basis (i.e., without first obtaining the client's consent before purchases and sales are effected). OWM also offers clients the opportunity to invest in a third Wrap Fee Program known as the "Pilot Program" where OWM refers clients who satisfy selected investment criteria, to third-party investment advisers who will then directly manage the client's account on a *discretionary* basis (i.e., effecting securities transactions without first obtaining the client's consent). Client investments in the Pilot Program will include a variety of securities products, including mutual funds (load-waived and no-load), equities, bonds (both taxable and non-taxable), exchange-traded funds, foreign securities, American Depositary Receipts, and oil and gas and limited partnerships interests.

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, in its capacity as a broker-dealer, will effect the resulting brokerage trades in client accounts for each of the Wrap Fee Programs, and, therefore, the Firm and its Financial Consultants who also serve as broker registered representatives, will also receive that portion of the wrap fee charged for brokerage services.

Client assets in OWM Wrap Fee Programs are custodied with OWM's clearing agent, Pershing LLC.

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A detailed description of each of our Wrap Fee Programs is set forth below.

**Wealthsource I**

In Wealthsource I, OWM manages client assets through our proprietary *discretionary* mutual fund investment platform where the OWM Financial Consultants, as the portfolio manager, will design a client's portfolio utilizing a large selection of available no-load and load-waived mutual fund products. OWM will make investment decisions for Wealthsource I clients on a *discretionary* basis (i.e., without first obtaining the client's consent before purchases and sales are effected) and then effects the resulting brokerage transactions in its capacity as a securities broker-dealer. The Wealthsource I offers clients the opportunity to have a personalized investment portfolio of mutual funds designed by OWM Financial Consultants within one consolidated account which will include investments in a mix of no-load, and load waived mutual funds.

Clients participating in Wealthsource I will have portfolios designed by OWM Financial Consultants based on their specific investment goals, financial situation and risk tolerance. OWM Financial Consultants will utilize a variety of materials 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.

OWM's Program Surveillance Team will also monitor client portfolios and advise if a client's portfolio requires a reallocation to continue to achieve the client's investment objectives. OWM Financial Consultants will also have at their disposal helpful resource tools such as asset allocation models and analysis regarding mutual funds which are developed by the Firm's Investment Committee and can be utilized as they design client portfolios. The Firm's Program Surveillance Team assists Financial Consultants by monitoring, on an ongoing basis, client portfolios to ensure that they conform to the Wealthsource I's allocation parameters. Once a client's financial situation, investment objective, risk tolerance, etc. are evaluated, the Financial Consultant 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 these accounts. However, these accounts will be custodied with the Firm's clearing agent, Pershing, LLC.

Clients who desire to have their portfolios managed through the Wealthsource I will be offered investment options which include no load and load-waived mutual funds, including mutual funds charging continuing 12b-1 fees (i.e., fees charged by mutual funds to cover marketing and distribution expenses).

Since the Firm will effect the resulting Wealthsource I brokerage transactions in its capacity as a securities broker-dealer, it would ordinarily be entitled to these 12b-1 fees in addition to its wrap

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fee. That being said, OWM management has established a policy whereby all Wealthsource I clients will have any 12b-1 fees incurred, credited back to their account with the Firm.

For services provided by OWM, Wealthsource I clients shall pay OWM an annual asset-based wrap fee (the “Wealthsource I Fee”) equal to, a percentage of the Client’s assets under management with OWM and covering *both* the advisory services provided by OWM *and* the commission and related transaction charges arising from the brokerage transactions effected based on this advice. The Wealthsource I Fee is payable in advance, at the beginning of each calendar quarter and will be calculated based upon the market value of the client's total portfolio as of the close of business on the last business day of the previous calendar quarter, provided, however, that (a) with respect to the initial fee, this fee shall be based upon the value of the client's portfolio as of the day the portfolio’s assets are placed under the Firm's supervision, pro-rated for the balance of the calendar quarter, and, (b) if OWM or its 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. The Firm will send a quarterly statement to client setting forth fee due for each quarter and the manner in which such fee is calculated.

Wealthsource I Fees are negotiable and are based, in part, on the percentage guidelines set forth below. Clients may pay fees which are higher or lower than the guidelines depending on considerations such as the size of a client's account, the amount of time a client has had an account with OWM, the combined value of a client's other OWM advisory accounts, the total amount of business the client conducts through OWM, the types of securities and services to be provided by OWM, and other relevant criteria.

The guideline schedule of fees for the Wealthsource I Program is as follows.

<u>Client Assets</u> <u>Under Management</u>	<u>Annual Percentage</u> <u>Fee Range</u>
\$50,000 - \$150,000	.75-1.75
\$150,000-\$500,000	.60-1.50
\$500,000-\$2M	.50-1.25
\$2M+	Negotiable

The minimum account size for Wealthsource I accounts is \$50,000.00. OWM has discretion to accept accounts that are below the minimum account size. Also, under certain circumstances, account minimums may be higher based on the services provided by OWM or the particular investment strategy employed. If a client's Wealthsource I account is valued at below \$100,000.00 when opened or at the time of any quarterly appraisals, the client shall be assessed an administrative fee of \$25.00 per quarter in addition to the Wealthsource I Fee. In certain instances, accounts subject to minimum fees may pay effective fee rates that exceed the fee rate(s) stated in the client’s agreement with OWM. However, in all cases, the client's maximum annual fee will not exceed 2% annually.

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Wealthsource I Client Agreements shall authorize OWM and its clearing firm, Pershing LLC, to deduct OWM's Wealthsource I Fee from client's account and to remit the same to OWM pursuant to its invoice therefor, and Pershing shall not be required to verify OWM's calculation of fee. To satisfy the payment of this fee, funds will be deducted directly from the account and, if necessary, from liquidating holdings in the following order: (a) cash positions; (b) money market funds, (c) fixed income funds, (d) combination funds (i.e., funds with both fixed income and equity securities), and lastly (e) equity funds. Should there be more than one fund in a category, alphabetical order will be used. Some mutual funds that are purchased and sold for client accounts may have transaction fees, commissions, and/or redemption fees that are not included in the Wealthsource I Fee and will be separately charged to Client.

Additionally, some mutual funds may charge clients Rule 12b-1 fees (i.e., fees charged to cover marketing and distribution expenses, a portion of which generally goes to the broker-dealers and their registered representatives selling the funds). However as stated above, Firm's Wealthsource I clients will have any Rule 12b-1 fees incurred credited back to their account.

If an agreement for services under Wealthsource I is terminated, after advisory fees have been collected in advance for a given quarterly period, the client shall be entitled to a pro-rata refund of any portion of the Wealthsource I Fee paid by the client with respect to the remaining portion of the quarter in which the termination became effective. The client will have immediate access to the assets in its account, subject to any limitations or restrictions imposed by the custodian for the account. Moreover, in the event of a termination agreement for Wealthsource I, OWM will cease to be entitled to receive fees from the client for any quarterly period following the one in which the termination occurs.

The Firm's principals reserve the right, in their sole discretion, to make adjustments to the Wealthsource I Fees charged to clients based upon particular client circumstances.

We allocate to your OWM Financial Consultant, a portion of the Wealthsource I Fee payable to OWM for management of your Wealthsource I account. The amount allocated to your OWM Financial Consultant may be more than if a client paid separately for investment advice, brokerage and other services and generally ranges from 66% to 86% of the OWM's Wealthsource I Fee. Therefore Financial Consultants may have a financial incentive to recommend the Wealthsource I program over other services or investment programs.

There will be no difference in the way in which OWM provides portfolio management services to its Wealthsource I clients as compared with its non-wrap fee clients.

**Wealthsource II**

In Wealthsource II, OWM will manage client assets through our proprietary investment platform which offers investment opportunities in mutual funds (no-load and load waived) *as well as* equity securities, bonds (both taxable and non-taxable), exchange-traded funds, options (covered calls and protective puts) and certificates of deposit on a *discretionary* basis (i.e., purchases and sales are effected without first obtaining client consent). Wealthsource II also utilizes a *wrap fee* (i.e., single asset-based fee covering both adviser services and brokerage commission charges)

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and generally related transaction charges including ticket and execution charges. On occasion however, as a result of the particular investment strategy agreed to by a client and OWM, the wrap fee charged certain Wealthsource II clients will not include ticket or execution charges which will then be separately charged to the client. Wealthsource II offers clients the opportunity to have a personalized investment portfolio designed by OWM Financial Consultants. Clients participating in Wealthsource II will have portfolios designed by 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, the OWM Financial Consultant 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 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 II parameters will include guidelines addressing asset class concentrations, individual security concentrations and eligible securities. OWM's Program Surveillance Team will also monitor client portfolios and advise Financial Consultants if client's portfolio requires a reallocation to continue to achieve the client's investment objective.

OWM Financial Consultants will also have at their disposal helpful resource tools such as asset allocation models and analysis on mutual funds which are developed by the Firm's Investment Committee and can be utilized as they design client portfolios. The Firm's Program Surveillance Team assists Financial Consultants by monitoring, on an ongoing basis, client portfolios to ensure that they conform to the Wealthsource II's allocation parameters. Once a client's financial situation, investment objective, risk tolerance, etc. are evaluated, the Financial Consultant 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 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.

For services provided by OWM, Wealthsource II clients shall pay OWM an annual asset-based wrap fee (the "Wealthsource II Fee") equal to, a percentage of the Client's assets under management with OWM and covering *both* advisory services provided by OWM and resulting brokerage commissions and related transactions charges arising from the brokerage transactions effected based on the recommendations of OWM and generally including ticket and execution charges. On occasion however, as a result of the investment strategy agreed to by OWM and Client, the Wealthsource II Fee may not include ticket and execution charges which will then be separately billed to the client. The Wealthsource II Fee is payable in advance, at the beginning of each calendar quarter and will be calculated based upon the market value of the client's total portfolio as of the close of business on the last business day of the previous calendar quarter, provided, however, that (a) with respect to the initial fee, this fee shall be based upon the value of the client's portfolio as of the day the portfolio's assets are placed under the Firm's supervision, pro-rated for the balance of the calendar quarter, and (b) if OWM or its clearing

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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. OWM will send a quarterly statement to client setting forth the Wealthsource II Fee due for each quarter and the manner in which such fee is calculated.

Wealthsource II Fees are negotiable and are based, in part, on the percentage guidelines set forth below. Clients may pay higher or lower fees depending on considerations such as the size of a client account, the amount of time a client has had an account with OWM, the combined value of the client's other OWM advisory accounts, the total amount of business a client conducts through OWM, the type of securities and services provided, and other relevant factors.

The guideline schedule of fees for the Wealthsource II Program is as follows.

Clients Assets <u>Under Management</u>	Annual Percentage <u>Fee Range</u>
\$50,000 - \$150,000	.75-1.75
\$150,000-\$500,000	.60-1.50
\$500,000-\$2M	.50-1.25
\$2M+	Negotiable

The minimum account size for Wealthsource II accounts is \$50,000.00, however OWM has discretion to accept accounts that are below the minimum account size. Also under certain circumstances, account minimums may be higher based on the services provided by us or the investment strategy employed. Wealthsource II accounts valued below \$100,000.00 when opened or at the time of any quarterly appraisals, shall be assessed an administrative fee of \$25.00 per quarter in addition to the Wealthsource II Fee. In certain instances, account minimum fees may pay effective fee rates that exceed the fee rate(s) stated in the client's agreement with OWM. However, in all cases, the Client's maximum annual fee will not exceed 2% annually.

Wealthsource II Client Agreements shall authorize OWM and its clearing firm, Pershing LLC, to deduct the Wealthsource II Fee from the account and remit the same to the Firm pursuant to its invoice therefor, and Pershing shall not be required to verify the Firm's calculation of fee. To satisfy the payment of fee, funds will be deducted directly from the account and, if necessary, from liquidating holdings in the following order: (a) cash positions; (b) money market funds, (c) fixed income funds, (d) combination funds (i.e., mutual funds with both fixed income and equity securities), (e) equity mutual funds, (f) equity securities, or (g) fixed income securities in the account. Should there be more than one fund in a category, alphabetical order will be used. It should be noted that some mutual funds that are purchased and sold for the account may have transaction fees, commissions, and/or redemption fees that are not including in the Wealthsource II Fee and will be separately charged to client.

Additionally, some mutual funds may charge clients Rule 12b-1 fees which are fees charged to cover marketing and distribution expenses, a portion of which generally goes to the broker-dealers and their registered representatives selling the funds. However, OWM management has

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established a policy whereby the Firm's Wealthsource II clients will have Rule 12b-1 fees incurred credited back to their account.

If an agreement for services under Wealthsource II is terminated, after advisory fees have been collected in advance for a given quarterly period, the client shall be entitled to a pro-rated refund of any portion of the fee paid by the client with respect to the remaining portion of the quarter in which the termination became effective. The client will have immediate access to the assets in its account, subject to any limitations or restrictions imposed by the custodian for the account. Moreover, in the event of a termination of the agreement for Wealthsource II, OWM will cease to be entitled to receive fees from the client for any quarterly period following the one in which the termination occurs.

The Firm's principals reserve the right, in their sole discretion, to make adjustments to the Wealthsource II Fees charged to clients based upon particular client circumstances.

There will be no difference in the way in which OWM provides portfolio management services to its Wealthsource II accounts as compared with its non-wrap fee clients.

We allocate to your OWM Financial Consultant, a portion of the Wealthsource II Fee payable to OWM for management of your Wealthsource II account. The amount allocated to your OWM Financial Consultant may be more than if you pay separately for investment advice, brokerage and other services and generally ranges from 66% to 86% of the OWM's Wealthsource II fee. Therefore Financial Consultants may have a financial incentive to recommend the Wealthsource II program over other services or investment programs.

**Pilot Program**

OWM's Pilot Program is structured so that following consultation with the client and evaluation by OWM and its Financial Consultants of a client's investment objectives, risk tolerance and financial situation, a recommendation is made by OWM to the client as to an appropriate third-party investment adviser(s). This third-party adviser will then directly manage the client's investment portfolio 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 a single asset-based fee by OWM for *both* advisory services and resulting brokerage transactions effected in a client's Pilot Program account. OWM's Pilot Program wrap fee is *separate and in addition to* the advisory fee clients will be charged by the third-party adviser whom clients designate to manage their Pilot Program portfolio. The third-party adviser's fees are set forth in its Form ADV and in the separate agreement clients will enter into with the third-party adviser.

Brokerage transactions resulting from the third-party advisers' management of the clients' Pilot Program account will be handled by OWM in its capacity as a securities broker-dealer and will be custodied with OWM's clearing agent, Pershing, LLC. OWM will therefore also receive that portion of the OWM Pilot Program wrap fee covering brokerage and related charges.

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As part of the Pilot Program, clients will have a direct contractual relationship with the third-party adviser and may contact the third-party adviser directly to discuss the management of the client's account, client's investment objectives and/or any other related matters.

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

OWM Financial Consultants will analyze clients' investment objectives, risk assessment and financial situation and will work closely with client to analyze and define their investment objectives and needs. Based on this analysis, the 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.

OWM will review and analyze client investment objectives, financial condition, time horizons, and risk parameters based on the information the client provides to OWM. At the outset, OWM Financial Consultant will consult with a client to identify and evaluate client needs, perceived risk tolerance, and other pertinent investment considerations. This information is used to develop a client profile that is risk based and describes the objective of the client's account. Clients may also establish written investment guidelines to be used in addition to the client profile, subject to acceptance by us and any third-party investment advisers.

Based on our understanding of the client's investment needs and objectives gained from the consultation process and the client profile (and any additional written investment guidelines), the OWM Financial Consultant develops an appropriate investment strategy for the management of the Pilot Program account. Clients are responsible for promptly bringing to our attention any material changes that would impact the client profile or client's financial condition.

The minimum account size for the Pilot Program is \$100,000.00 or the third-party adviser's minimum, whichever is greater however, OWM has the discretion to accept accounts that are below the minimum account size. Also, under certain circumstances, account minimums may be higher based on the services provided by us or the investment strategy employed by the third-party adviser.

OWM's Investment Committee considers and selects third-party advisers only after reviewing information such as the financial and organization stability of the investment manager and its advisory services, historical performance results, experience, and other factors deemed appropriate in the review. OWM's Investment Committee confirms that the third-party adviser is appropriately registered and classifies third-party advisers by investment style based solely on their representations to us. Information that OWM's Investment Committee gathers regarding these third-party advisers is believed to be reliable and accurate, but we do not independently verify it.

Clients will complete an OWM new account form which is intended to describe the type of portfolio that may be appropriate for their situation and help OWM develop a client profile

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which can then be used, in consultation with their OWM Financial Consultant, to help identify an appropriate investment strategy and third-party adviser approved for use within the Pilot Program.

Once a third-party adviser(s) is selected by a client based on OWM's analysis of the client's profile, the client's account will then be managed on a *discretionary* basis (*i.e.*, client consent not required prior to transactions being effected), by such third-party adviser(s). OWM will have no discretionary trading authority over the account and does not assume responsibility for the conduct of third-party advisers selected by the client, including their performance or compliance with applicable law or regulations.

OWM will provide you with a copy of a third-party adviser's written disclosure statement (typically, Part 2A of its Form ADV or other comparable document) at account opening.

OWM conducts a review of all Pilot Program investment managers on an annual basis to determine, among other things, whether to continue recommending the advisers to existing clients and whether to approve their future recommendation to new clients within the Pilot Program. The evaluation may involve, among other things, a review of investment discipline and trends in investment philosophies.

In the event that a determination is made either during the annual review or if information is received that a particular third-party adviser may no longer be suitable for a client, we may recommend that you terminate your relationship with that third-party adviser.

Except as otherwise agreed to in writing or as required or permitted by law, we keep confidential all information concerning client identity, financial data and investments. We do however, share relevant client information with: (1) the Pilot Program third-party adviser(s) selected by you in order for the selected investment manager to adequately manage your account; and/or (2) certain companies that we or your third-party adviser partner wish to service your accounts. Recommendations and advice given to you will be regarded as confidential among you and the third-party adviser.

Currently, those third-party advisers who participate in our Pilot Program will invest client assets in a variety of securities products, consisting of mutual funds (load-waived and no-load), equity securities, bonds (both taxable and nontaxable), exchange-traded funds, foreign securities, American depository receipts, oil and gas and limited partnership interests.

There will be no difference in the way in which OWM provides portfolio management services to its Pilot Program clients as compared with its non-wrap fee clients.

Unless otherwise specified by client, in client's Pilot Program Agreement with OWM, OWM will automatically deduct its wrap fee and other fees from the Client's Pilot Program account. Clients may also authorize OWM to pay to the third-party adviser its advisory fee for such adviser's services and to debit the Client's Pilot Program account for that advisory fee upon receipt of an invoice for the fees from the third-party advisor. Any inaccuracy with respect to such fees charged by a third-party adviser is Client's responsibility and not that of OWM.

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For services provided by OWM, Pilot Program clients shall pay OWM an asset-based wrap fee (the “Pilot Program Fee”), equal to a percentage of the Client’s assets under management with OWM and covering *both* OWM advisory services and resulting brokerage commissions and related transactions charges from securities transactions effected by OWM, in its capacity as a securities broker dealer. The Pilot Program Fee is payable in advance, at the beginning of each calendar quarter and is equal to a fixed percentage of Client’s assets in Client’s Pilot Program account, and is based, in part, on the percentage guidelines set forth below. The Pilot Program Fee paid by clients is negotiable, based upon considerations such as the size of a Client account, the amount of time client has had an account with us, the combined value of related advisory accounts, the total amount of business you conduct through us, the types of securities provided and other relevant criteria, between you and your Financial Consultants.

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

<u>Client Assets</u> <u>Under Management</u>	<u>Annual Percentage</u> <u>Fee Range</u>
\$50,000 - \$150,000	.75-1.75
\$150,000-\$500,000	.60-1.50
\$500,000-\$2M	.50-1.25
\$2M+	Negotiable

Pilot Program Fees are based upon the market value of the client’s total portfolio as of the close of business and are pro-rated for any billing period that is less than a complete quarter. Pilot Program Fees may be adjusted proportionately based on the value of cash or securities added or withdrawn from the account between billing periods. Automatic fee deductions will be funded from available cash or the proceeds of the sale of securities in the account.

Pilot Program accounts valued below \$100,000.00 at initiation or at the time of quarterly appraisal are subject to a minimum account size administrative fee of \$25.00 per quarter in addition to the OWM Pilot Program Fee. In certain circumstances, accounts subject to minimum fees may pay effective fee rates that exceed the fee rate(s) stated the client’s Pilot Program Agreement with OWM. In all cases, the maximum effective annual Pilot Program Fee paid on any Program selected will not exceed 2% annually.

If your Pilot Program Agreement with us is terminated prior to the last day of the calendar quarter, a pro-rated portion of your Pilot Program Fee paid by you, based on the days remaining in the quarter, will be refunded to you.

OWM allocates to your OWM Financial Consultant, a portion of the Pilot Program Fee payable to OWM. The amount allocated to your Financial Consultant may be more than if a client separately paid for investment advice, brokerage and other services and generally ranges from 60% to 83% of OWM’s Pilot Program Fee. Therefore Financial Consultants may have a financial incentive to recommend the Pilot Program over other services and investment programs.

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**4B. Cost Considerations**

The asset-based fees charged to clients who participate in our Wrap Fee Programs may be more or less costly than paying separately for the investment advisory and brokerage services which make up the wrap fee. This depends upon the investment advisory fees charged, the type of account, the amount of assets in the account, the time and services provided to the account, the number of transactions effected on behalf of the account, the level of brokerage and other fees that would be payable if the client had obtained the services available under the program individually.

**4C. Other Charges**

The asset based wrap fees for the programs described in this Wrap Fee Brochure do *not* cover other charges that clients may incur *in addition to* the wrap fee itself. These additional charges include, mark-up or mark-downs charges or dealer spread charges paid to market makers or other principals from whom securities are obtained by OWM in its capacity as the broker-dealer for your account or other third-party broker-dealers, other charges imposed by the Firm's clearing firm where client accounts are custodied, maintained or for transactions you may request involving assets or securities not in a wrap fee program account.

Additionally, as each of our Wrap Fee Programs 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 the client 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. OWM's management has however established a policy whereby, all client accounts within our Wrap Fee Programs will have 12b-1 fees credited back to their accounts by the Firm.

OWM may, in our discretion, accept into our Wrap Fee Program's account shares of mutual funds held in other client OWM accounts and purchased outside of the Wrap Fee Program accounts at OWM or at other financial institutions. Mutual fund shares transferred into a Wrap Fee Program account are referred to as "Transferred Shares." Clients may have been assessed a sales load, sales charge, or distribution fees on Transferred Shares prior to their transfer into your Wrap Fee Program account.

Transferred shares will be subject to the applicable Wrap Fee Program fee immediately, regardless of whether the client paid a front-end load or other compensation. The overall cost to clients of transferring mutual fund shares into a Program account may be higher for shares the client purchased at another financial institution. Clients should review the costs carefully before making a decision to transfer mutual fund shares into a Wrap Fee Program account.

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If a Wrap Fee Program account is funded with assets that are ineligible for the Wrap Fee Program, generally those assets will be liquidated by us or moved to another account where such assets are eligible. In these situations, the client account may incur certain transaction charges.

4D. Compensation to Persons Recommending Wrap Fee Programs. The Firm's Financial Consultants who recommend an investment in one of OWM's Wrap Fee Programs will receive compensation as a result of a client's decision to participate in one or more of the recommended Wrap Free Programs.

The amount of this compensation may be more than what this Financial Consultant would receive if the client invested in our other non-wrap fee investment products or paid separately for investment advice, brokerage, and other services. As a result, our Financial Consultant may have a financial incentive to recommend a Wrap Fee Program over other OWM programs or services.

Additionally, the third-party advisers recommended to clients investing through the Pilot Program may direct brokerage transactions outside of the Pilot Program to OWM to place trades for their clients. OWM will not receive any direct compensation from any third-party adviser for such referrals. However, OWM expects that these third-party advisers will utilize OWM as one of their broker-dealers with whom they plan to place trades for their clients (which will result in trade revenue for OWM) but such activity is not dependent to OWM's recommendations to its advisory clients to use such third-party advisers.

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**Item 5 Account Requirements and Types of Clients**

The Firm's clients who participate in its Wrap Fee Programs consist of individuals, including high-net worth individuals, foundations, trusts and estates, IRAs of individuals, small business clients, corporations, charitable organizations and other entities.

The minimum account size for the Wealthsource I and Wealthsource II accounts is \$50,000.00. OWM has discretion to accept accounts that are below the minimum account size. Also under certain circumstances, account minimums may be higher based on the services provided by OWM or the investment strategy employed. Wealthsource I and Wealthsource II clients who initially deposit securities or cash equivalents into their account which are valued below \$100,000.00 initially or at the time of any subsequent quarterly account appraisal, will be assessed a fee of \$25.00 per quarter for each quarter in which the account value falls below this minimum in addition to OWM's wrap fee.

The Pilot Program's minimum account size is \$100,000.00, or the third-party adviser's minimum, whichever is larger. These minimums may, in OWM's discretion, be negotiable and under certain circumstances OWM may accept accounts for the Pilot Program below this minimum size. Also, under certain circumstances, Pilot Program account minimums may be higher based on the services to be provided by OWM or the investment strategy to be utilized by the third party advisor. To the extent a Pilot Program account is valued at below \$100,000.00, initially or at the time of any subsequent quarterly account appraisals, the account will be assessed a fee of \$25.00 per quarter for each quarter in which the account value falls below this minimum in addition to OWM's wrap fee, and the advisory fee charged by the third-party advisers.

In certain circumstances, accounts subject to a minimum fee may pay effective fee rates that exceed the fee rates stated in our client agreements. In all cases however, the maximum effective annual wrap fee paid will not exceed 2% annually.

**Item 6 Portfolio Manager Selection and Evaluation**

**6A. Selection and Review of Portfolio Managers for the Pilot Program**

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

Once a third-party adviser is recommended by OWM and approved by a client, the client's Account will be managed by such third-party adviser. OWM will have no discretionary trading authority and does not assume responsibility for the conduct of third-party investment adviser, including their performance or compliance with applicable law or regulations.

OWM's Investment Committee conducts a review of all Pilot Program third-party advisers on an annual basis and determines whether to approve their future recommendation to new clients within the Pilot Program and if current recommendations to existing Pilot Program accounts should be continued. 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 adviser may no longer be suitable for a client, OWM may recommend that client terminate client's relationship with that third-party adviser.

While OWM reviews performance information for the third-party advisers, but we do not verify its accuracy or compliance with presentation standards.

**6B. Related Persons as Portfolio Managers.**

Not Applicable.

**6C. Advisory Business Description; Performance Based Fees; Methods of Analysis; Investment Strategies; Voting Client Securities.**

**Advisory Business Description**

OWM and its Financial Consultant offer a variety of investment management services. This includes the Firm's three Wrap Fee Programs described in this Wrap Fee Brochure, as well as a "Retirement Plan Consulting Program" and an advisory-only option offered through OWM's "Advisory Services Program" both of which are described below.

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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 OWM 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 not serve as the broker-dealer of record for Plans participating in our Retirement Plan Consulting Program.

If a Plan 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 Plan Sponsor, OWM, acting through its Financial Consultants, will solely be making recommendations to Plan Sponsor or to the person(s) appointed by Plan Sponsor as the Plan administrator or named fiduciary under ERISA ("Plan Fiduciary") and the Plan Sponsor and/or the Plan Fiduciary retains full discretionary authority and control over assets of the Plan. 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 Plan 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

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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.
- 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.

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 maintain responsibility for reviewing and/or monitoring such fees to ensure administrative costs are properly offset.

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.

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Person(s) signing OWM's Agreement for the Retirement Plan Consulting Program 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 Financial Consultant will be based upon the information provided by each Plan sponsor and/or Plan participant as applicable. The Firm and its Financial Consultants 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 Financial Consultants 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 which it provides Retirement Plan Consulting Program 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.

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 offer clients the following services which are exclusively advisory in nature: (i) directly manage Client's portfolio on a *discretionary* basis (*i.e.*, prior authorization of client not required before securities transaction are effectuated) ("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* basis (*i.e.*, prior authorization of the client not required prior to effectuating transactions)("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 Depository Receipts, and oil and gas limited partnership interests.

OWM will not serve as the broker-dealer of record for Clients participating in our Advisory Services Program.

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 effectuating 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

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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 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.

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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.

Tailoring Advisory Services to Client Needs. Each of the investment programs offered by OWM 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.

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.

Performance Based Fees

Neither the Firm nor its Financial Consultant charge performance-based fees.

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Methods of Analysis; Investment Strategies

OWM and its Financial Consultant will utilize various techniques in analyzing investments for advisory clients which may include, but are not limited to, charting, fundamental analysis, technical analysis, cyclical analysis and dollar cost averaging. The client is advised that there is no guarantee, stated or implied, that the client's investment goals or objectives will be achieved. 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 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 company's 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.

While much less common and not recommended to most clients, OWM and certain of 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 a Financial Consultant.

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

If you retain OWM for any of our investment services, we will meet with you to determine your investment objectives, risk tolerance, prior investment experience, net worth and other relevant

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information at the beginning of our advisory relationship. OWM will then utilize the information provided to develop an investment strategy and plan for each client. This will also enable the Firm to provide each client with continuous, tailored investment advice. For the services we offer which involve portfolio management, we will customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. Your Financial Consultant is then responsible for reviewing your account on an ongoing basis. Your Financial Consultant will contact you at least annually and be available for consultation with you to discuss your accounts as well as your investment objectives and financial condition.

We conduct various account checks on a periodic basis (e.g., identifying and reviewing accounts for asset allocation and concentrated positions) and will rebalance your portfolio as may be required, from time to time, based on changes in market conditions and changes you advise us about in your financial circumstances. Regardless of the particular investment program and investment strategy developed and utilized by our Financial Consultants, with regard to client account assets in either the Wealthsource I or Wealthsource II, clients always have the ability to impose reasonable restrictions on investing in certain securities or types of securities. Approval of these requests will be granted upon at the time of account opening and approval and will be dependent upon the Firm's ability to monitor the request. Pilot Program clients may also establish additional written investment guidelines subject to acceptance by OWM and the third-party adviser(s).

Voting Client Securities

For Wealthsource I and Wealthsource II client accounts, it is the Firm's policy to have client's cast their own proxy votes. Clients will receive all proxy voting information from Pershing LLC or other custodian of the client's account or directly from the issuer of a particular security. However, for client's participating in the Pilot Program, clients should refer to the investment advisory agreements and/or Form ADV disclosure brochures for each third-party adviser for a description of the third-party adviser's proxy-voting policies.

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**Item 7 Client Information Provided to Portfolio Managers**

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. However, OWM shares relevant client information with: (i) our Pilot Program third-party advisers necessary for the third-party adviser to adequately manage a client account, and/or (ii) certain companies that the client's third-party adviser wishes to service a client's account.

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**Item 8 Client Contact with Portfolio Managers**

For clients participating in the Wealthsource I and Wealthsource II, there are no restrictions on a client's ability to contact their designated OWM Financial Consultant or other OWM personnel in the event the client is unable to contact his or its designated Financial Consultant.

For client's participating in the Pilot Program, there are likewise no restrictions on a client's ability to contact OWM and/or their designated portfolio manager at the third-party adviser managing their accounts. Pilot Program clients, however, should contact their designated portfolio manager at the third-party adviser directly, rather than going through the Firm.

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**Item 9 Additional Information**

9A. Disciplinary Information. Not Applicable.

Other Financial Industry Affiliations.

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.

Commodities and Futures Registration. Not Applicable.

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 Advisory Services Program, virtually all of the securities transactions resulting from its advisory activities will be effected 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 virtually all of its Financial Consultants are also independent insurance agents with the Firm. 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 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

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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.

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 Financial Consultants 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

**9B. Code of Ethics; Participation or Interest in Client Transactions; and Personal Trading; Review of Accounts; Client Referrals and Other Compensation; and Financial Information.**

**Code of Ethics; Participation or Interest in Client Transactions; and Personal Trading**

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.

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As stated in the OWM's Code of Ethics which is available upon request, while OWM itself does not invest in securities, but 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.

**Review of Accounts**

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 in our programs 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 Form ADV disclosure documents and agreements with the client.

Clients participating in the Pilot Program, Advisory Services Program and Retirement Plan Consulting Program, will receive from 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.

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

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- \* year-end tax planning
- \* changes in market conditions
- \* security specific events and/or
- \* changes in client risk/return objectives

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 participating 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.

Client Referrals and Other Compensation

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, management of OWM has established a policy whereby 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.

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

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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 FUNDVEST®. Further information about a particular fund's fees and expenses can be found in its prospectus.

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.

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.