

## Item 1 - Cover Page



**CRD# 169912**

1268 Prospect Ave.  
La Jolla, CA 92037

(855) 696-1835

[www.themwmgroup.com](http://www.themwmgroup.com)

### **January 10, 2014 Brochure**

This brochure provides information about the qualifications and business practices of MWM 1835, LLC. If you have any questions about the contents of this brochure, please contact us at (855) 696-1835 or [contact@themwmgroup.com](mailto:contact@themwmgroup.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

MWM 1835, LLC is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about MWM 1835, LLC also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

## Item 2 - Material Changes

This Brochure is prepared in the revised format required beginning in 2011. This is the initial Brochure of MWM 1835, LLC, and is prepared according to the SEC's requirements and rules. In the future, this Item will discuss only specific material changes that are made to the Brochure and will provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. We will further provide you with a new Brochure as necessary based on changes, new information, or at your request, at any time, without charge.

### Item 3 - Table of Contents

### Page

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

#### ***Item 4 - Advisory Business***

##### General Information

MWM 1835, LLC (DBA “MWM”) was formed in 2013, and provides Financial Planning Services as well as Portfolio and Private Wealth Management Services to its clients.

The Malloy Family Trust is the principal owner of MWM. William M. Malloy, III and Shenell S. Malloy are Co-Trustees of the Trust. Please see ***Brochure Supplement***, Exhibit A, for more information on Bill Malloy as well as others who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

MWM is a newly formed Registered Investment Advisory firm and does not currently have any assets under management.

#### SERVICES PROVIDED

At the outset of each client relationship, MWM spends time with the client, asking questions, discussing the client’s investment experience and financial circumstances, and broadly identifying major goals of the client.

Clients may elect to retain MWM to prepare a full financial plan. This written report is presented to the client for consideration. In most cases, clients subsequently retain MWM to manage the investment portfolio on an ongoing basis.

For those financial planning clients making this election, and for other clients who do not need financial planning but retain MWM for portfolio management services, based on all the information initially gathered, MWM generally develops with each client:

- a financial outline for the client based on the client’s financial circumstances and goals, and the client’s risk tolerance level (the “Financial Profile”); and
- the client’s investment objectives and guidelines (the “Investment Plan”).

The Financial Profile is a reflection of the client’s current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments MWM will make on behalf of the client to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

Finally, where MWM provides only limited financial planning or general consulting services, MWM will work with the client to prepare an appropriate summary of the specific project(s) to the extent necessary or advisable under the circumstances.

##### Financial Planning

This service may be provided as a stand-alone service, or may be coupled with ongoing portfolio management.

Financial Planning may include advice that addresses one or more areas of a client's financial situation, such as estate planning, risk management, budgeting and cash flow controls, retirement

planning, education funding, and investment portfolio design and ongoing management. Depending on a client's particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;
- Assisting the client in establishing financial goals and objectives;
- Analyzing the client's present situation and anticipated future activities in light of the client's financial goals and objectives;
- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve retirement plan goals and objectives;
- Designing an investment portfolio to help meet the goals and objectives of the client;
- Providing estate planning;
- Assessing risk and reviewing basic health, life and disability insurance needs; or
- Reviewing goals and objectives and measuring progress toward these goals.

Once Financial Planning advice is given, the client may choose to have MWM implement the client's financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by MWM under a Financial Planning engagement and/or to engage the services of any recommended professional.

#### Portfolio and Private Wealth Management Services

As described above, at the beginning of a client relationship, MWM meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by MWM based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, MWM will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, MWM will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on MWM in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of MWM.

#### MWM Wrap Program

Some clients have chosen to engage MWM through its wrap program (the "MWM Wrap Program" or the "Program") in order to simplify the payment of management fees and brokerage expenses. The Program does not at present include any outside managers, but exists solely for administrative expediency in combining brokerage expenses with MWM's portfolio management fees.

### Separate Account Managers

When appropriate and in accordance with the Investment Plan for a client, MWM may recommend the use of one or more Separate Account Managers, each a “Manager”. Having access to various Managers offers a wide variety of manager styles, and offers clients the opportunity to utilize more than one Manager if necessary to meet the needs and investment objectives of the client. MWM will usually select or recommend the Manager(s) it deems most appropriate for the client. Factors that MWM considers in recommending/selecting Managers generally includes the client’s stated investment objective(s), management style, performance, risk level, reputation, financial strength, reporting, pricing, and research.

The Manager(s) will generally be granted discretionary trading authority to provide investment supervisory services for the portfolio. Under certain circumstances, MWM retains the authority to terminate the Manager’s relationship or to add new Managers without specific client consent. In other cases, the client will ultimately select one or more Managers recommended by MWM. Fees paid to such Manager(s) are separate from and in addition to the fee assessed by MWM.

In any case, with respect to assets managed by a Manager, MWM’s role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the Manager(s), and to assist the client in understanding the investments of the portfolio.

### Third-Party Wrap Programs

From time to time and in accordance with the Investment Plan for a client, MWM may utilize the Manager(s) available in a Third Party Wrap Program. A Wrap Program is one that charges one fee (the “wrap fee”) for both the Manager’s fee and the transaction expenses incurred by the account. MWM’s fee is charged separately from and in addition to the wrap fee.

Wrap programs generally offer a wide variety of Manager styles and offer clients the opportunity to utilize more than one Manager if necessary to meet the needs and investment objectives of the client.

### General Consulting Services

These services are generally provided on a project basis, and may include, without limitation, minimal cash flow planning for certain events such as education expenses or retirement, estate planning analysis, income tax planning analysis and review of a client’s insurance portfolio, as well as other matters specific to the client as and when requested by the client and agreed to by MWM.

### Ancillary Services

In addition to the foregoing services, MWM also offers Ancillary services such as Family Education, Estate Planning, Tax and Business Consulting to clients. The scope and fees for consulting services will be negotiated with each client at the time of engagement for the applicable project.

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

### General Fee Information

Clients enter into one of two fee arrangements. Clients may elect to pay management fees to MWM separately from the brokerage expenses of the account. Accordingly, client accounts pay a management fee, plus the cost of transactions in the account. Please see ***Item 12 - Brokerage Practices*** for additional information.

Alternatively, clients may elect to participate in the MWM Wrap Program. The Program fee structure includes the brokerage expenses (e.g., commissions, ticket charges, etc.) of the account as well as the management fee paid to MWM. Under the all-inclusive billing alternative, MWM will assess one client fee that captures the management, brokerage and administrative portions collectively. Inasmuch as MWM pays to the executing broker the transaction and execution costs associated with client accounts, this may create a disincentive for MWM to trade securities in accounts.

In either of these arrangements, the fees noted above are separate and distinct from the internal fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, MWM and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

#### Financial Planning Fees

When MWM provides stand-alone financial planning services to clients, these fees are negotiated at the time of the engagement for such services and are normally a fixed fee based on the scope of the engagement or an hourly rate of \$500.

#### Portfolio Management Fees

Fees are individually negotiated with each client and range up to an annual rate of 2% of assets under management.

The minimum annual fee for any account is \$5,000. MWM may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where MWM deems it appropriate under the circumstances.

Portfolio management fees are generally payable quarterly, in arrears. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization, unless other arrangements are made fees are normally debited directly from client account(s).

Either MWM or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to MWM from the client will be invoiced or deducted from the client's account prior to termination.

#### MWM Wrap Program Fees

As described above, clients may participate in MWM's Wrap Program. Clients participating in the Wrap Program will generally pay the fees listed above, but do not separately pay brokerage expenses in the account(s) managed by MWM. The minimum annual fee for any account is \$5,000. MWM may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where MWM deems it appropriate under the circumstances.

#### Separate Account Manager Fees

In instances where the services of a Separate Account Manager are utilized, all brokerage and Separate Account Manager fees will be charged in addition to MWM's fee, and will be detailed in the Management Agreement signed by the client.

### Third-Party Wrap Program Fees

MWM's fees are charged separately from and in addition to Third Party Wrap Program fees.

### General Consulting Service Fees

When MWM provides ancillary services to clients, these services are generally separate from MWM's financial planning and portfolio management services. Fees and payment schedule for ancillary services are negotiated at the time of the engagement for such services and are normally based on an hourly rate of \$500. Such fees are generally due upon the completion of a specific project or on a monthly or quarterly basis in arrears for services that are ongoing.

### Ancillary Service Fees

When MWM provides ancillary services to clients, these services are generally separate from MWM's financial planning and portfolio management services. Fees and payment schedule for ancillary services are negotiated at the time of the engagement for such services and are normally a fixed fee based on the scope of the project or an hourly rate of \$500. Such fees are generally due upon the completion of a specific project or on a monthly or quarterly basis in arrears for services that are ongoing.

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

MWM does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because MWM has no performance-based fee accounts, it has no side-by-side management.

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

MWM serves high net worth individuals, pension and profit-sharing plans, corporations, trusts, estates and charitable organizations. While the fee for each engagement is individually negotiated, MWM generally imposes a minimum annual fee of \$5,000. Under certain circumstances and in its sole discretion, MWM may negotiate such minimums.

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

### Methods of Analysis

In accordance with the Investment Plan, MWM will primarily invest in mutual funds, ETFs, common stock and bonds. When appropriate, MWM will recommend the use of one or more Managers.

In selecting individual stocks for an account, MWM generally applies traditional fundamental analysis including, without limitation, the following factors:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

MWM will incorporate other methods of analysis, such as:

**Charting Analysis** – involves gathering and processing price and volume information for a particular security. MWM's charting analysis includes, without limitation:

- mathematical analysis;
- graphing charts; and estimations of future price movements based on perceived patterns and trends.

**Technical Analysis** – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

**Cyclical Analysis** – is a type of technical analysis that involves evaluating recurring price patterns and trends.

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. MWM may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

#### Investment Strategies:

MWM's strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Short Sales – a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Trading – generally considered holding a security for less than thirty (30) days.

Options Trading/Writing: a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.



### Risk of Loss

While MWM seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

*Management Risks.* While MWM manages client investment portfolios, or recommends one or more Managers, based on MWM's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that MWM or a Manager allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that MWM's specific investment choices could underperform their relevant indexes.

*Risks of Investments in Mutual Funds, ETFs and Other Investment Pools.* As described above, MWM or a Manager(s) may invest client portfolios in mutual funds, ETFs and other investment pools ("pooled investment funds"). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds' success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

*Equity Market Risks.* MWM and any Manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

*Fixed Income Risks.* MWM and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

*Foreign Securities Risks.* MWM and any Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial

reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of MWM or the integrity of MWM's management. MWM has no disciplinary events to report.

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

MWM may receive compensation for referrals to other advisers.

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

#### **Code of Ethics and Personal Trading**

MWM has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. MWM's Code has several goals. First, the Code is designed to assist MWM in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, MWM owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with MWM (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for MWM's associated persons. Under the Code's Professional Standards, MWM expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, MWM associated persons are not to take inappropriate advantage of their positions in relation to MWM clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time MWM's associated persons may invest in the same securities recommended to clients. Under its Code, MWM has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading. These policies are designed to discourage and prohibit personal trading that would disadvantage clients.

#### **Participation or Interest in Client Transactions**

Because associated persons may invest in the same securities as those held in client accounts, MWM has established a policy requiring its associated persons to pre-clear transactions in these securities with the Chief Compliance Officer. The goal of this policy is to avoid any conflict of interest that may present itself in these situations. Certain securities, such as CDs, treasury obligations and open-end mutual funds are exempt from this pre-clearance requirement. However, in the event of other identified potential trading conflicts of interest, MWM's goal is to place client interests first.

Finally, if associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block,

and the balance of shares will be allocated among client accounts in accordance with MWM's written policy.

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

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, MWM seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, MWM may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of MWM's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

MWM may recommend that clients establish brokerage accounts with Schwab, a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. MWM may also effect trades for client accounts at Schwab, or may in some instances, consistent with MWM's duty of best execution and specific agreement with each client, elect to execute trades elsewhere. Although MWM may recommend that clients establish accounts at Schwab, it is ultimately the client's decision to custody assets with Schwab. MWM is independently owned and operated and is not affiliated with Schwab.

Schwab Advisor Services provides MWM with access to its institutional trading, custody, reporting and related services, which are typically not available to Schwab retail investors. Schwab also makes available various support services. Some of those services help MWM manage or administer our clients' accounts while others help MWM manage and grow our business. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them. These services are not soft dollar arrangements, but are part of the institutional platform offered by Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For MWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to MWM other products and services that benefit MWM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of MWM accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist MWM in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide pricing and other market data; (iv) facilitate payment of MWM's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help MWM manage and further develop its business enterprise. These services may include: (i) technology compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to MWM. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to MWM. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of MWM personnel. In evaluating whether to recommend that clients custody their assets at Schwab, MWM may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

MWM also participates in the Fidelity Institutional Wealth Services (“FIWS”) service program. While there is no direct link between the investment advice MWM provides and participation in the FIWS program, MWM receives certain economic benefits from the FIWS program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of MWM’s fees from its clients’ accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of MWM’s accounts, including accounts not held at FIWS. FIWS may also make available to MWM other services intended to help MWM manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, FIWS may make available, arrange and/or pay for these types of services to be rendered to MWM by independent third parties. FIWS may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to MWM, and/or FIWS may pay for travel expenses relating to participation in such training. Finally, participation in the FIWS program provides MWM with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the FIWS program do not necessarily depend upon the proportion of transactions directed to FIWS. The benefits are received by MWM, in part because of commission revenue generated for FIWS by MWM’s clients. This means that the investment activity in client accounts is beneficial to MWM, because FIWS does not assess a fee to MWM for these services. This creates an incentive for MWM to continue to recommend FIWS to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, MWM believes that FIWS provides an excellent combination of these services. These services are not soft dollar arrangements, but are part of the institutional platform offered by Brokerage Firm.

#### Directed Brokerage

MWM does not allow directed brokerage accounts.

#### Aggregated Trade Policy

MWM may enter trades as a block where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the

trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows MWM to execute equity trades in a timelier, equitable manner, and may reduce overall costs to clients.

MWM will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of MWM's Investment Advisory Agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all MWM's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

MWM will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of MWM. MWM's books and records will separately reflect, for each client account included in a block trade, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and MWM will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

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

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by MWM. These factors may include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions. One or more Investment Adviser Representatives and/or firm Principals review all accounts.

For those clients to whom MWM provides separate financial planning and/or consulting services, reviews are conducted on an as needed or agreed upon basis. Such reviews are conducted by one of MWM's investment adviser representatives or principals.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account,

including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, MWM provides quarterly reports for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

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

As noted above, MWM may receive an economic benefit from Schwab or Fidelity in the form of support products and services it makes available to MWM and other independent investment advisors that have their clients maintain accounts at Schwab or Fidelity. These products and services, how they benefit our firm, and the related conflicts of interest are described in ***Item 12 - Brokerage Practices***. The availability of Schwab or Fidelity's products and services to MWM is based solely on our participation in the programs and not in the provision of any particular investment advice.

From time to time, MWM may enter into arrangements with third parties ("Solicitors") to identify and refer potential clients to MWM. Consistent with legal requirements under the Investment Advisers Act of 1940, as amended, MWM enters into written agreements with Solicitors under which, among other things, Solicitors are required to disclose their compensation arrangements to prospective clients before such clients enter into an agreement with MWM.

#### ***Item 15 - Custody***

Schwab or Fidelity is the custodian of nearly all client accounts at MWM. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify MWM of any questions or concerns. Clients are also asked to promptly notify MWM if the custodian fails to provide statements on each account held.

From time to time and in accordance with MWM's agreement with clients, MWM will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

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

As described above under ***Item 4 - Advisory Business***, MWM manages portfolios on a discretionary basis. This means that after an Investment Plan is developed for the client's investment portfolio, MWM will execute that plan without specific consent from the client for each transaction. For discretionary accounts, a Limited Power of Attorney ("LPOA") is executed by the client, giving MWM the authority to carry out various activities in the account, generally including the following: trade execution; the ability to request checks on behalf of the client; and, the withdrawal of advisory fees directly from the account. MWM then directs investment of the client's portfolio using its discretionary authority. The client may limit the terms of the LPOA to the extent consistent with the client's investment advisory agreement with MWM and the requirements of the client's custodian. The discretionary relationship is further described in the agreement between MWM and the client.

***Item 17 - Voting Client Securities***

As a policy and in accordance with MWM's client agreement, MWM does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact MWM with questions relating to proxy procedures and proposals; however, MWM generally does not research particular proxy proposals.

***Item 18 - Financial Information***

MWM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no disclosure with respect to this item.

# **Exhibit A**



**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**William M. Malloy, III**  
**of**



1268 Prospect Ave.  
La Jolla, CA 92037

(855) 696-1835

[www.themwmgroup.com](http://www.themwmgroup.com)

January 10, 2014

This brochure supplement provides information about Bill Malloy, and supplements the MWM 1835, LLC (DBA “MWM”) brochure. You should have received a copy of that brochure. Please contact MWM at (855) 696-1835 if you did not receive MWM’s brochure, or if you have any questions about the contents of this supplement.

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***Item 2 - Educational Background and Business Experience***

William M. Malloy, III (year of birth 1976) serves as Chairman and Chief Operating Officer at MWM. Bill has also overseen the private equity, real estate, and securities businesses as President of Malloy and Company since 2007. He holds board of director seats in current portfolio companies and serves their interests by advising on corporate strategy and assisting in capital procurement.

Bill’s first investment out of the family office was an active investment where he served on the executive team of Oakley from 2005 to 2007, a world leader in performance optics. He managed sales, marketing, and acquisition integration for key Oakley products in more than 100 countries, devoting the majority of his time to guiding product development, bringing products to market, optimizing distribution strategies, and managing business development opportunities that arose with the \$2 billion merger of Oakley and Luxottica.

Prior to his tenure with Oakley, Bill gained venture capital experience at the partner level with Zone Ventures from 2003 to 2005, a Draper Fisher Jurvetson fund, by working with companies on elements of strategy, operational issues and financial structuring. He also devoted significant time to potential new investments in support of the managing directors. His background in business development and product management includes five years of service to Listen.com (sold to Real Networks, a \$1.3 billion company) and MusicMatch (sold to Yahoo, a \$38 billion company). His responsibilities focused on strategy and go-to-market plans for new product development.

Bill balances his philanthropic time between hands on work focused around sustainability as well as serving as the trustee for the Malloy Foundation and Co-Founder of the PEERS Network. He is passionate about the quality of life in San Diego and served as a board member and treasurer for the Equinox Center. Mr. Malloy was also the recipient of San Diego's 40 under 40 Award for 2012 and chosen as one of San Diego's Young Influentials 2012.

Bill has an undergraduate degree in Engineering from Clemson University and an MBA from the University of Southern California.

### ***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Bill has no such disciplinary information to report.

### ***Item 4 - Other Business Activities***

Bill is not engaged in any other business activities.

### ***Item 5 - Additional Compensation***

Bill has no other income or compensation to disclose.

### ***Item 6 - Supervision***

Bill, Chairman and Chief Operating Officer, oversees mentoring of staff, and overall operational execution of the business. Along with Brent Granado, Bill is involved in and provides general oversight to many day-to-day matters of the firm. Bill's contact information is on the cover page of this disclosure document.

**Item 1 - Cover Page**  
**of**  
**Brochure Supplement for**  
**Patrick Thomas ONeill**  
**CRD# 6128379**

**of**



1268 Prospect Ave.  
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(855) 696-1835

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January 10, 2014

This brochure supplement provides information about Patrick ONeill, and supplements the MWM 1835, LLC (DBA "MWM") brochure. You should have received a copy of that brochure. Please contact MWM at (855) 696-1835 if you did not receive MWM's brochure, or if you have any questions about the contents of this supplement.

Additional information about Patrick is available on the SEC's website at  
**[www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov)**.

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***Item 2 - Educational Background and Business Experience***

Patrick Thomas ONeill (year of birth 1982) joined MWM as Senior Vice President of Advisory Services in 2013. He has approximately seven years of experience across the family office and asset management industry. Before joining MWM, he worked as a Marketing Manager at alternative asset-focused Aequis Capital Management from 2010 to 2013 where he was responsible for both corporate and fund marketing across the firm's private credit offerings. Prior to working at

Aequitas, Patrick worked directly with Malloy and Company Family Office for a year, where he was responsible for supporting marketing across portfolio investments, as well as reporting and analysis. He was also President of The Cullen Group from 2007 to 2011.

He earned an MBA, with a focus on international marketing, from San Diego State University, and dual BAs across Marketing and Economics from Cal Poly San Luis Obispo. Patrick has taken, and successfully passed, the Series 65, Uniform Investment Adviser Law Exam.

***Item 3 - Disciplinary Information***

Advisers are required to disclose any material facts regarding certain legal or disciplinary events that would be material to your evaluation of an adviser; however, Patrick has no such disciplinary information to report.

***Item 4 - Other Business Activities***

Patrick is not engaged in any other business activities.

***Item 5 - Additional Compensation***

Patrick has no other income or compensation to disclose.

***Item 6 - Supervision***

Bill Malloy and Brent Granado provide general oversight to all day-to-day matters of the firm. The contact information for these individuals can be found on the cover page of this document.