

**Part 2A of Form ADV: Firm Brochure  
Item 1: Cover Page  
December 2014**



**Cherrydale Wealth Management, LLC  
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New York, NY 10003**

**Firm Contact:  
Jordan Szekely  
Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Cherrydale Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us by email at [JS@cherrydalewm.com](mailto:JS@cherrydalewm.com) or telephone at (917) 838-7507. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Authority.

Additional information about Cherrydale Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment adviser" and description of Cherrydale Wealth Management, LLC and/or our associates as "registered" does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for more information on the qualifications of our firm and our employees.



## Item 2: Material Changes

Cherrydale Wealth Management, LLC ("CWM", "we", or "our") is required to advise you of any material changes to the Firm Brochure ("Brochure") from our last annual update. Since our firm inception in August 2014, we are in the process of switching from registering with the Securities Exchange Commission to the states of New York and California.

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## Item 4: Advisory Business

CWM's mission is to provide comprehensive and conflict-free wealth management advice to individuals and families. We are open to working with other types of clients in the future. CWM emphasizes creating a goals-based, consultative partnership with clients. Our firm is a limited liability company formed in the State of New York and has been in business as a Registered Investment Adviser since August 2014. The firm is solely owned by Jordan Szekely.

### Description of the Types of Advisory Services We Offer

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CWM provides investment advisory and wealth management services to clients. To create a comprehensive financial strategy, we seek to understand clients' goals, risk-tolerance, resources, and investment time horizon. Our services include developing an appropriate and customized strategic asset allocation based on clients' investment objectives, implementing and monitoring this allocation, and financial planning. Our holistic approach incorporates non-investment issues including insurance, taxes, trusts and estates, philanthropy, family education, college funding, etc. In these areas, we help manage and coordinate interactions with trusted specialists who supplement our advice. CWM helps ensure its clients' financial decisions are well-integrated with their lifestyle choices, investment portfolios, and financial plan.

Our clients' investment portfolios are primarily comprised of mutual funds and exchange traded funds ("ETFs"). CWM does not engage in subjective forecasting of financial markets. Client portfolios are designed for the long-term investor who believes capital markets will deliver fair and competitive returns over time.

If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us, so we can incorporate such information into the strategic asset allocation and financial plan. However, the client is under no obligation to act upon our recommendation(s) or to effect any transactions through CWM. Our financial planning service is only available to existing clients who pay a fee based on assets under management, and there is no additional financial planning fee.

### Tailoring of Advisory Services

We offer customized investment advice to our clients. Each client has the opportunity to place reasonable restrictions, in writing, on the types of investments held in the portfolio. Please note, restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

### Participation in Wrap Fee Programs

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We do not offer wrap fee programs.

### Regulatory Assets Under Management

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As of December 15, 2014, CWM has \$9.2 million assets under management.

## Item 5: Fees & Compensation

### How We Are Compensated for Our Advisory Services

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
All Assets	1.00%

Our firm's annualized fees are billed on a pro-rata basis quarterly in advance based upon the balance at the end of the preceding quarter or the average daily balance of the accounts for the preceding calendar quarter. Our financial planning service is only available to existing clients who pay a fee based on assets under management, and there is no additional financial planning fee. To comply with California Code of Regulations Section 260.238(j), we disclose that lower fees for comparable services may be available from other sources. Advisory fees are not negotiable and will be deducted from your managed account by the account custodian. As part of the fee deduction process, the client is made aware of the following:

- Your independent custodian sends statements to you on at least a quarterly (typically monthly) basis showing your holdings, their market value, and all disbursements;
- You provide authorization permitting us to be paid directly from the managed account held by the independent custodian;
- Our firm sends an electronic request to the custodian indicating the amount of the fee to be paid from the client's managed account, and this invoice is concurrently sent to the client.
- We encourage clients to compare information provided in their statements with those from the qualified custodian in account opening notices and subsequent statements.

### Other Types of Fees & Expenses

Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, ETF, or index fund, which shall be disclosed in the fund's prospectus (i.e. fund management fees and other fund expenses). Clients may incur brokerage fees, please see Item 12.

### Termination & Refunds

We charge our advisory fees quarterly in advance. In the event you wish to terminate our services, we will refund the unearned portion of our advisory fee to you. You need to contact us in writing and state you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

### Commissionable Securities Sales

We do not sell securities for a commission in our advisory accounts. Neither CWM nor any supervised persons accepts compensation for the sale of securities or other investment products.

## Item 6: Performance-Based Fees & Side-By-Side Management

We do not accept performance-based fees.

## Item 7: Types of Clients & Account Requirements

We provide comprehensive and conflict-free wealth management advice to high net worth individuals and families. We are open to working with other types of clients in the future. Clients interested in market timing can't open an account through CWM. We do not impose other requirements for opening and maintaining accounts or otherwise engaging us.

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

### Methods of Analysis

We meet with each client to assess their unique portfolio objectives and wealth management needs. Through this consultative partnership, we work together to develop a customized strategic asset allocation plan(s) driven by clients' long-term goals, risk tolerance, investment objectives, and constraints.

CWM relies on several sources of information to build and manage investment portfolios. We use publicly available research reports regarding mutual funds, ETFs, and other investment vehicles as well as research and analysis from custodians and third-party managers. We also use the Dimensional Fund Advisors ("DFA") Returns Program of historical asset class returns, brokerage firm research reports / white papers, newspapers, various financial periodicals, and ongoing discussions with portfolio fund managers, investment analysts, and other investment professionals in our network. Additionally, CWM has access to well-known academic researchers who provide in-depth research materials and education.

The analysis of asset classes includes reviewing historical and expected rates of return, standard deviations, and correlation coefficients between asset classes. CWM primarily utilizes mutual funds and ETFs in building investment portfolios. We have determined that DFA funds effectively capture the returns of target asset classes and provide ample opportunity to implement the investment policies of client portfolios. Mutual fund companies provide clients with prospectuses that identify potential risks involved in investing in the funds used in client portfolios.

CWM clients usually have a long-term investment horizon of at least 10 years (and often times 20 to 30 years or more). Occasionally, we will purchase certain securities for shorter-term needs. For example, when harvesting tax losses, we will generally purchase replacement funds that are similar to a client's portfolio funds and hold them for 31 days to avoid wash sale rules. The original funds are usually then repurchased. Another example of a short-term holding period is when cash or other short-maturity fixed income security is held for a client's short-term funding goal. CWM takes into account the trading costs of these strategies and only recommends them to clients when the expected after-tax benefits exceed expected costs.

### Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. While the value of your investments in securities may increase and your account(s) could enjoy a gain, it is also possible they may decrease and your account(s) could suffer a loss. It is important you understand the risks associated with investing in securities and that your investments are appropriately diversified according to your investment objectives. With this in consideration, we invite you to ask us any questions you may have.

## **Types of Securities We Recommend**

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### **Equity Securities**

Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of equity securities fluctuate based on, among other things, events specific to their issuers as well as market and economic conditions. For example, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

There may be little trading in the secondary market for particular equity securities, which may adversely affect our firm's ability to value accurately or dispose of such equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities.

### **Small Capitalization Equity Securities**

Investing in smaller companies may pose additional risks as it is often more difficult to value or dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

### **Mutual Funds (Open-end Investment Company)**

Mutual funds have features that some investors might view as disadvantages:

#### **Costs Despite Negative Returns**

Investors must pay management fees and other expenses regardless of how the fund performs. Depending on the timing of their investment, investors may also have to pay taxes on any capital gains distribution they receive. This includes instances where the fund performed poorly after purchasing shares.

#### **Lack of Control**

Investors typically cannot ascertain the exact make-up of a fund's portfolio at any given time, nor can they directly influence which securities the fund manager buys and sells or the timing of those trades.

#### **Price Uncertainty**

With an individual stock or ETF, investors can obtain real-time (or close to real-time) pricing information with relative ease by checking custodians' websites. Investors can also monitor how a stock's price changes from hour to hour—or even second to second. By contrast, with a mutual fund, the price at which an investor purchases or redeems shares will typically depend on the fund's Net Asset Value ("NAV"), which the fund may not calculate until many hours after the investor placed the order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

### **Exchange-Traded Funds (ETFs)**

An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) whose primary objective is to track the return of a particular market index. An ETF is similar to an index fund in that it will primarily invest in securities of companies included in a selected market index.

Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like equity mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track that particular sector.

Under ordinary circumstances, index-based ETFs carry the typical risks associated with any index fund:

- *Market Risk* — The possibility the market the ETF attempts to track will decline.
- *Opportunity Cost* — The possibility that other investments will perform better.
- *Business Risk* — The possibility an individual holding falls and reduces the return for the entire portfolio.
- *Tracking Error* — The possibility the fund's manager will do a poor job of tracking the performance of the benchmark.

Because ETFs are subject to market supply and demand, they also carry the risk that their market value will deviate and trade at a discount to the actual value of the underlying securities.

### **Debt Securities (Bonds)**

Issuers use debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount to their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. Bonds with longer rates of maturity tend to have greater interest rate risks.

We generally invest clients' cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our clients' cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our investment advisory services, as applicable.

### **Alternative Investments**

#### Real Estate Investment Trusts

Real estate investment trusts (REITs) primarily invest in real estate or real estate-related loans. Equity REITs own real estate properties, while mortgage REITs hold construction, development and/or long-term mortgage loans. Changes in the value of the underlying property of the trusts, the creditworthiness of the issuer, property taxes, interest rates, tax laws, and regulatory requirements, such as those relating to the environment all can affect the values of REITs. Both types of REITs are dependent upon management skill, the cash flows generated by their holdings, the real estate market in general, and the possibility of failing to qualify for any applicable pass-through tax treatment or failing to maintain any applicable exempt status afforded under relevant laws.

#### Liquid Alternative Investments

Alternative investments like hedge funds and private equity funds are becoming more widely available and more liquid (i.e. easier to sell post-investment). Hedged mutual funds ("HMFs") deliver hedge fund-like exposure, but are available in a mutual fund structure.



HMFs differ from traditional, “long-only” mutual funds which limit themselves to buying and holding assets, most typically public equities or bonds. HMFs may function like traditional hedge funds by short selling, utilizing leverage, and investing in derivatives. Additionally, HMFs deploy capital through various hedge fund strategies including merger arbitrage, convertible arbitrage, long/short equity, macro trading, etc. In traditional hedge funds, these strategies typically have limited liquidity (sometimes only annual), performance fees (typically 20% of profits), high minimum investments (sometimes \$1 million or more), and are limited to certain qualified investors.

Investment Structure: An alternative fund of funds may offer greater diversification than a single-strategy or even multi-strategy alternative fund. At the same time, this greater diversification may lead to a flattening of return and potentially less transparency. There may also be an inability to re-allocate or adapt in a way that is beneficial to the overall performance of a particular fund of funds.

Strategy Risk Factors: In addition to the market and investment-specific risks traditional mutual funds possess, liquid alternative funds carry additional risks. For example, market-neutral funds tend to have significant portfolio turnover risk that can result in higher costs. Similarly, a distressed bond fund is likely to have significant credit risk.

### Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

### Item 10: Other Financial Industry Activities & Affiliations

We have no other financial industry activities and affiliations to disclose.

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

An investment adviser is considered a fiduciary and our firm has a fiduciary duty to all clients. As a fiduciary, it is an investment adviser’s responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Our fiduciary duty is considered the core underlying principle of our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided upon request.

We recognize the personal investment transactions of members of our firm demand the application of a high Code of Ethics and require that all such transactions are carried out in a way that does not endanger the interest of any client. At the same time, we believe if our employees’ investment goals are similar to our clients’, it is logical and even desirable that there be common ownership of some securities. Therefore, we retain all personal securities trading records to ensure that our clients’ interests are served before our own. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics.

Neither our firm, nor a related person, recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients.

In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons' accounts will be traded in the same manner every time.

Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics.

## **Item 12: Brokerage Practices**

### **Selecting a Brokerage Firm**

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

Although CWM generally recommends Charles Schwab as the custodian of choice for client accounts, clients are under no obligation to use Schwab and not all advisors recommend a particular broker. Custodial services are also available through a variety of other independent custodians. CWM has a discounted commission schedule with Charles Schwab for mutual fund transactions, and Schwab maintains a large network of retail branches that are convenient for clients who may occasionally need to visit a branch to, for example, deliver account paperwork, accept or deposit a check, or deposit paper securities.

### **Soft Dollars**

Our firm does not receive soft dollar benefits from any of the broker-dealer custodians with whom it works. Soft dollar benefits are not allocated to any accounts that may generate different amounts of the soft dollar benefits.

### **Client Brokerage Commissions**

Our firm does not receive client brokerage commissions.

### **Procedures to Direct Client Transactions in Return for Soft Dollars**

We don't accept research, services, or other products in return for soft dollars, because we believe it could present a conflict of interest in some instances.

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**Brokerage for Client Referrals**

Our firm does not receive brokerage for client referrals.

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**Directed Brokerage**

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer.

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**Permissibility of Client-Directed Brokerage**

We allow clients when possible to direct brokerage outside our recommendation. We may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

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**Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

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**Aggregation of Purchase or Sale**

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

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**Item 13: Review of Accounts or Financial Plans**

We conduct annual as well as potentially quarterly account reviews for clients as part of the regular monitoring and reporting process. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives and appropriately positioned based on market conditions and investment policies, if applicable. We do not provide written reports to clients, unless asked to do so. Only Jordan Szekely will conduct reviews.

We may conduct client reviews of accounts or financial plans more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc. Clients receive quarterly performance reports that summarize their portfolio positions, rates of return, and overall asset allocation.

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

CWM does not pay referral fees to any firm, person, or entity. CWM does not receive any additional compensation from a non-client in connection with giving advice to clients.

#### **Item 15: Custody**

We do not have custody of client funds or securities. All of our clients receive at least quarterly (typically monthly) account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information.

If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm. Clients should review statements received from custodian carefully and compare those statements to any reports received from CWM.

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

CWM does not generally exercise discretion in managing client portfolios. Portfolio trading is limited to the funds and allocations contained in each client's individualized written investment policy statement. To trade client portfolios, clients grant CWM a limited power of attorney through their custodian which enables CWM to trade on their behalf. Occasionally, deviations from the policy statement may occur due to situations such as:

(1) client requests to defer rebalancing the portfolio, (2) excess cash requirements of the client, (3) replacement of a portfolio security for a similar security in the same asset class, (4) gradual reduction of one or more holdings to increase or decrease risk exposure at the request of the client, (5) tax planning activities such as loss harvesting. Investment policy statements and client notes are updated to reflect any changes requested by the client or recommended by CWM.

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

We do not accept proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

### Item 18: Financial Information

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$500 in fees and six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.

### Item 19: Additional Information

Jordan Szekely, Founder and Managing Partner, is our sole executive officer. Please see ADV Part 2B for his professional and educational background.

- Mr. Szekely is not actively engaged in any other businesses.
- Per Item 5, we do not charge any performance fees.
- We have not been involved or found liable in any arbitration claims or in any civil, self-regulatory organization, or administrative proceeding.
- We have no relationships or arrangements with any issuer of securities not listed in Item 10.
- Any material conflicts of interest have been disclosed.