



Burt Wealth Advisors

SEC File Number: 801 – 23924

ADV Part 2A, Firm Brochure

Dated: January 29, 2015

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This Brochure provides information about the qualifications and business practices of Burt Wealth Advisors. If you have any questions about the contents of this Brochure, please contact us at (301) 770-9880 or fcornelius@burtwealth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Burt Wealth Advisors also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Burt Wealth Advisors as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to Burt Wealth Advisors' disclosure statement since last year's Annual Amendment filing on January 27, 2014.

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Item 4 Advisory Business

- A. Burt Associates, Inc. (BAI) d.b.a. Burt Wealth Advisors (“Burt Wealth”) is a Maryland Corporation formed on June 26, 1972. BAI became registered as an Investment Adviser Firm on April 23, 1985. BAI is owned by BAI Holdings, Incorporated. Frederick J. Cornelius, III is BAI’s President.
- B. As discussed below, Burt Wealth offers to its clients (individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, business entities, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage Burt Wealth to provide discretionary investment advisory services on a *fee only* basis. Burt Wealth’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Burt Wealth’s management. Prior to engaging Burt Wealth to provide investment advisory services, clients are required to enter into an *Investment Advisory Agreement* with Burt Wealth setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

Burt Wealth’s annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Burt Wealth), Burt Wealth may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client. Burt Wealth primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds (“ETFs”) (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary basis in accordance with the client’s designated investment objective(s).

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, Burt Wealth *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging Burt Wealth to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Burt Wealth setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Burt Wealth commencing services. If requested by the client, Burt Wealth may recommend the services of other professionals for implementation purposes, including certain owners of Burt Wealth’s parent company in their individual capacities as attorneys and/or accountants (*See* disclosures at Item 10 C below). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Burt

Wealth. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Burt Wealth if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Burt Wealth's previous recommendations and/or services.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, Burt Wealth *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Burt Wealth, nor any of its representatives, serves as an insurance agent, and no portion of Burt Wealth's services should be construed as same. To the extent requested by a client, Burt Wealth may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including certain owners of Burt Wealth's parent company in their separate licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Burt Wealth. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Burt Wealth if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Burt Wealth's previous recommendations and/or services.

Please Note: Inverse/Enhanced Market Strategies. Burt Wealth may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in an inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk. There can be **no assurance** that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Burt Wealth, in writing, not to employ any or all such strategies for his/her/their/its accounts.

Trade Error Policy. From time-to-time Burt Wealth may make an error in submitting a trade order on the client's behalf. When this occurs, Burt Wealth may place a correcting trade with the broker-dealer which has custody of the client's account. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also have received the gain, it is not permissible for the client to retain the gain, or Burt Wealth confers with the client and the client decides to forego the gain (e.g., due to tax reasons). If the gain does not remain in the client's account and Charles Schwab & Co. Inc., ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, Burt Wealth will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in the client's account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in the client's account, they may be netted.

Client Obligations. In performing its services, Burt Wealth shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Burt Wealth if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Burt Wealth's previous recommendations and/or services.

Disclosure Statement. A copy of Burt Wealth's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. Burt Wealth shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Burt Wealth shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Burt Wealth's services.
- D. Burt Wealth does not participate in a wrap fee program.
- E. As of December 31, 2014, Burt Wealth had approximately \$522,809,979 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage Burt Wealth to provide discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage Burt Wealth to provide discretionary investment advisory services on a negotiable *fee-only* basis, Burt Wealth's annual investment advisory fee shall be generally based upon a percentage (%) of the market value and type of assets placed under Burt Wealth's management as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
Less than \$500,000	1.5%*
From \$500,000 - \$749,999	0.8%
From \$750,000 - 1,999,999	0.7%
From \$2,000,000 - \$5,999,999	0.6%
From \$6,000,000 - \$9,999,999	0.5%
Over \$10,000,000	0.4%

*Subject to \$3,750.00 minimum annual fee (*see* Item 7).

Burt Wealth's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically** requested by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Burt Wealth), Burt Wealth may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, Burt Wealth *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Burt Wealth's planning and consulting fees are negotiable, but generally range from \$50 to \$250 on an hourly rate basis and on a fixed fee basis as quoted in advance and payable half in advance and half on presentation, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

- B. Clients may elect to have Burt Wealth's advisory fees deducted from their custodial account. Both Burt Wealth's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Burt Wealth's investment advisory fee and to directly remit that management fee to Burt Wealth in compliance with regulatory procedures. In the limited event that Burt Wealth bills the client directly, payment is due upon receipt of Burt Wealth's invoice. Burt Wealth shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Burt Wealth shall generally recommend that Charles Schwab and Co., Inc., member SIPC ("*Schwab*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Schwab* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Burt Wealth's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses). When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Burt Wealth and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by the broker-dealer/custodian).
- D. Burt Wealth's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Burt Wealth generally requires an annual minimum fee of \$3,750.00 for investment advisory services. Burt Wealth, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its annual minimum fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between Burt Wealth and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, a pro-rated portion of the earned but unpaid advisory fee shall be due.

Burt Wealth shall send the terminated client an invoice showing the calculation of the

unpaid earned fees that are due. Likewise, any unearned pre-paid advisory fees shall be refunded by Burt Wealth upon termination of a contract. Burt Wealth determines the amount of the refund for unearned fees by prorating the pre-paid quarterly fee by the portion of the quarter that services were terminated. If unearned fees are due to the terminated client, Burt Wealth shall send the terminated client a refund check along with a letter showing the refund calculation.

- E. Neither Burt Wealth, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither Burt Wealth nor any supervised person of Burt Wealth accepts performance-based fees.

Item 7 Types of Clients

Burt Wealth's clients generally include individuals, high net worth individuals, pension and profit sharing plans, charitable organizations, business entities, etc. Burt Wealth generally requires an annual minimum fee of \$3,750.00 for investment advisory services. Burt Wealth, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its annual minimum fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. Burt Wealth may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Burt Wealth may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or

investment strategy (including the investments and/or investment strategies recommended or undertaken by Burt Wealth) will be profitable or equal any specific performance level(s).

- B. Burt Wealth's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Burt Wealth must have access to current/new market information. Burt Wealth has no control over the dissemination rate of market information; therefore, unbeknownst to Burt Wealth, certain analyses may be compiled with outdated market information, severely limiting the value of Burt Wealth's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Burt Wealth's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

- C. Currently, Burt Wealth primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or ETFs (including inverse ETFs and/or mutual funds that are designed to perform in an inverse relationship to certain market indices), on a discretionary basis in accordance with the client's designated investment objective(s).

As disclosed above, Burt Wealth may utilize long and short mutual funds and/or exchange traded funds that are designed to perform in an inverse relationship to certain market indices (at a rate of 1 or more times the inverse [opposite] result of the corresponding index) as an investment strategy and/or for the purpose of hedging against downside market risk. There can be no assurance that any such strategy will prove profitable or successful. In light of these enhanced risks/rewards, a client may direct Burt Wealth, in writing, not to employ any or all such strategies for his/her/their/its accounts. (See Item 4 B).

Item 9 Disciplinary Information

Burt Wealth has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Burt Wealth, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Burt Wealth, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C.

Other Investment Adviser. Certain owners of Burt Wealth's parent company are shareholders in Dembo Jones, P.C., which is a certified public accounting firm and a state-registered investment advisory firm ("DJ"). Neither Burt Wealth nor its representatives will refer its clients to DJ to receive investment advisory services.

Conflict of Interest. The recommendation by Burt Wealth or its representatives that a client seek investment advisory services from DJ presents a potential conflict of interest, as Burt Wealth could have the incentive to make such a recommendation based on funds received, rather than on a particular client's need. Accordingly, as stated above, Burt Wealth does not refer clients to DJ to receive investment advisory services. Clients are reminded that they are not under any obligation to pursue investment advisory services from DJ.

Burt Wealth's Chief Compliance Officer, Frederick J. Cornelius III, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Certified Public Accountants. Certain owners of Burt Wealth's parent company are Certified Public Accountants and shareholders of DJ, which is a certified public accounting firm and a state-registered investment advisory firm. To the extent that said owners provide accounting and/or tax preparation services to any clients, including clients of Burt Wealth, all such services shall be performed by DJ, in its individual professional capacity, independent of Burt Wealth, for which services Burt Wealth shall not receive any portion of the fees charged by DJ, referral or otherwise. It is expected that the shareholders of DJ, solely incidental to their respective practices as Certified Public Accountants, shall recommend Burt Wealth's services to certain of its clients. DJ is not involved in providing investment advice on behalf of Burt Wealth, nor does DJ hold itself out as providing advisory services on behalf of Burt Wealth. No client of Burt Wealth is under any obligation to use the services of DJ.

Conflict of Interest. The recommendation by Burt Wealth that a client engage DJ or its representatives in their capacities as Certified Public Accountants presents a conflict of interest, as Burt Wealth could have the incentive to make such a recommendation based on funds received, rather than on a particular client's need. No client is under any obligation to engage DJ or its representatives in such a capacity and clients are reminded that they may engage other non-affiliated Certified Public Accountants.

Burt Wealth's Chief Compliance Officer, Frederick J. Cornelius III, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

Licensed Attorneys. Certain owners of Burt Wealth's parent company are licensed attorneys and shareholders of Tyrrell Mason & Pillote P.C. ("TMP"). In addition, we may receive clients as a result of solicitations made by David Kanter. David Kanter is an attorney who is a licensed attorney with Kanter & Wishnow. To the extent that either entity or its associated persons provide legal services to any clients, including clients of Burt Wealth, all such services shall be performed by TMP and Kanter & Wishnow, in their individual professional capacity, independent of Burt Wealth, for which services Burt Wealth shall not receive any portion of the fees charged by TMP or Kanter & Wishnow, referral or otherwise. It is expected that the shareholders of TMP and Kanter & Wishnow solely incidental to their respective practices as attorneys, shall recommend Burt Wealth's services to certain of its clients. Neither TMP nor Kanter & Wishnow are involved in providing investment advice on behalf of Burt Wealth, nor do TMP or Kanter & Wishnow hold themselves out as providing advisory services on behalf of Burt Wealth. No client of Burt Wealth is under any obligation to use the services of TMP or Kanter & Wishnow.

Conflict of Interest. The recommendation by Burt Wealth or representatives that a client engage TMP or Kanter & Wishnow to provide legal services of any kind presents a conflict of interest,, as the receipt of legal fees may provide an incentive to recommend TMP or Kanter & Wishnow to provide legal services, rather than on a particular client's need. No client is under any obligation to retain TMP or Kanter & Wishnow to provide legal services. All clients are reminded that they may acquire legal services through other, non-affiliated law firms.

Burt Wealth's Chief Compliance Officer, Frederick J. Cornelius III, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

- D. Burt Wealth does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Burt Wealth maintains an investment policy relative to personal securities transactions. This investment policy is part of Burt Wealth's overall Code of Ethics, which serves to establish a standard of business conduct for all of Burt Wealth's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Burt Wealth also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Burt Wealth or any person associated with Burt Wealth.

- B. Neither Burt Wealth nor any related person of Burt Wealth recommends, buys, or sells for client accounts, securities in which Burt Wealth or any related person of Burt Wealth has a material financial interest.

- C. Burt Wealth and/or representatives of Burt Wealth *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Burt Wealth and/or representatives of Burt Wealth are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Burt Wealth did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Burt Wealth’s clients) and other potentially abusive practices.

Burt Wealth has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Burt Wealth’s “Access Persons”. Burt Wealth’s securities transaction policy requires that an Access Person of Burt Wealth must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period on a date Burt Wealth selects; provided, however that at any time that Burt Wealth has only one Access Person, he or she shall not be required to submit any securities report described above.

Burt Wealth and/or representatives of Burt Wealth may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Burt Wealth and/or representatives of Burt Wealth are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Burt Wealth has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Burt Wealth’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Burt Wealth recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Burt Wealth to use a specific broker-dealer/custodian), Burt Wealth generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Burt Wealth to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Burt Wealth setting forth the terms and conditions under which Burt Wealth shall manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Burt Wealth considers in recommending *Schwab* or another broker-dealer/custodian to clients include historical relationship with Burt Wealth, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Burt Wealth’s clients shall comply with Burt Wealth’s duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Burt Wealth determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the

transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Burt Wealth will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Burt Wealth's investment management fee. Burt Wealth's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Burt Wealth may receive from *Schwab* (or another broker-dealer/custodian, investment platform, and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist Burt Wealth to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Burt Wealth may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Burt Wealth in furtherance of its investment advisory business operations. Burt Wealth received a courtesy discount for 2013 in the amount of \$4,800 for such products and services for which *Schwab* typically charges \$9,200. In addition, in 2014 Burt Wealth received a courtesy discount equal to \$6,900 for which *Schwab* typically charges \$11,500.

As indicated above, certain of the support services and/or products that *may* be received may assist Burt Wealth in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Burt Wealth to manage and further develop its business enterprise.

Burt Wealth's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* or any other broker-dealer/custodian as a result of this arrangement. There is no corresponding commitment made by Burt Wealth to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Burt Wealth's Chief Compliance Officer, Frederick J. Cornelius, III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Burt Wealth does not receive referrals from broker-dealers.
3. Burt Wealth does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Burt Wealth will not seek better

execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by Burt Wealth. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Burt Wealth to effect securities transactions for the client’s accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Burt Wealth.

Burt Wealth’s Chief Compliance Officer, Frederick J. Cornelius, III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

- B. To the extent that Burt Wealth provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Burt Wealth decides to purchase or sell the same securities for several clients at approximately the same time. Burt Wealth may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Burt Wealth’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Burt Wealth shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Burt Wealth provides investment supervisory services, account reviews are conducted on an ongoing basis by Burt Wealth’s Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Burt Wealth of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Burt Wealth on an annual basis.
- B. Burt Wealth *may* conduct account reviews on a non-periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least monthly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Burt Wealth may also provide a quarterly written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, Burt Wealth may receive an indirect economic benefit from broker-dealers. Burt Wealth, without cost (and/or at a discount), may receive support services and/or products from broker-dealers.

Burt Wealth's clients do not pay more for investment transactions effected and/or assets maintained at a given broker-dealer as a result of this arrangement. There is no corresponding commitment made by Burt Wealth to a given broker-dealer or any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Burt Wealth's Chief Compliance Officer, Frederick J. Cornelius, III, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to Burt Wealth by either an unaffiliated or an affiliated solicitor, Burt Wealth may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Burt Wealth's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Burt Wealth by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Burt Wealth's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Burt Wealth and the solicitor, including the compensation to be received by the solicitor from Burt Wealth.

Item 15 Custody

Burt Wealth shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least monthly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Burt Wealth may also provide a quarterly written periodic report summarizing account activity and performance.

Burt Wealth engages in other practices and/or services on behalf of its clients that require disclosure at the Custody section of Part 1 of Form ADV, which practices and/or services are subject to an annual surprise CPA examination in accordance with the requirements of Rule 206(4)-2 under the Investment Advisers Act of 1940.

Please Note: To the extent that Burt Wealth provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Burt Wealth with the account statements received from the account custodian.

Please Also Note: The account custodian does not verify the accuracy of Burt Wealth's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage Burt Wealth to provide investment advisory services on a discretionary basis. Prior to Burt Wealth assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Burt Wealth as the client's attorney and agent in fact, granting Burt Wealth full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Burt Wealth on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Burt Wealth's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Burt Wealth's use of margin, etc).

Item 17 Voting Client Securities

- A. Except with respect to ERISA accounts and unless a client directs otherwise in writing, Burt Wealth, in conjunction with the proxy voting and due diligence services provided by Broadridge Investor Communication Solutions, Inc., or its successors or assigns, ("Broadridge") shall be responsible for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted. Burt Wealth and/or the client shall correspondingly instruct each custodian of the assets to forward to Burt Wealth copies of all proxies and shareholder communications relating to the assets. Burt Wealth, in conjunction with the services provided by Broadridge, shall monitor corporate actions of individual issuers and investment companies consistent with Burt Wealth's fiduciary duty to vote proxies in the best interests of its clients. With respect to individual issuers, Burt Wealth may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Burt Wealth may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Burt Wealth shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2(c)(2) under the Advisers Act. Copies of Rules 206 (4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Burt Wealth voted on any specific proxy issue is also available upon written request.

Burt Wealth does not vote client proxies relative to ERISA accounts. Therefore with respect to ERISA accounts, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Alternatively, clients may, at their written election, choose to receive proxies related to their own accounts, in which case Burt Wealth may consult with clients as they may request. To direct Burt Wealth to vote a proxy in a particular manner, clients should contact Frederick J. Cornelius, III by telephone, electronic mail, or in writing.

Burt Wealth will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by Burt Wealth that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If Burt Wealth has a conflict of interest in voting a particular action, it will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Frederick J. Cornelius, III, directly. Clients may request, in writing, information on how proxies for his or her shares were voted. If any client requests a copy of the Firm's complete proxy policies and procedures or how it voted proxies for his or her accounts, Burt Wealth will promptly provide such information to the client.

Burt Wealth will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's accounts, including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, Burt Wealth will make commercially reasonable efforts to forward such notices in a timely manner.

- B. As set forth in Item 17.A above, except with respect to ERISA accounts Burt Wealth votes client proxies. For ERISA accounts, clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Burt Wealth to discuss any questions they may have with a particular solicitation

Item 18 Financial Information

- A. Burt Wealth does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Burt Wealth is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Burt Wealth has not been the subject of a bankruptcy petition.

ANY QUESTIONS: Burt Wealth's Chief Compliance Officer, Frederick J. Cornelius, III, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.