

**Part 2A of Form ADV: *Firm Brochure***

**Merriman Wealth Management**

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**This brochure provides information about the qualifications and business practices of Merriman Wealth Management. If you have any questions about the contents of this brochure, please contact us at 415-248-5603 or [wfebbo@merrimanco.com](mailto:wfebbo@merrimanco.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. Registration as an investment adviser does not imply a certain level of skill or training.**

**Additional information about Merriman Wealth Advisors is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 158605.**

## **Item 2    Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated January 26, 2015, is our disclosure document prepared according to the SEC's requirements and rules. Our firm is required to comply with the reporting and filing requirements.

After our filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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#### **Item 4     Advisory Business**

Merriman Wealth Advisors provides advisory services and management of client assets.

Merriman Wealth Advisors manages client assets on a case by case basis and provides customized asset management based on client needs. Each portfolio is diversified among asset classes depending on each client's objectives and circumstances. Clients may impose restrictions on investing in certain types of securities.

Services offered by Merriman Wealth Advisors include:

- Asset allocation strategies
- Formulation of investment guidelines, objectives, investment policy statement
- Review of existing portfolio
- Money Manager search and selection
- Performance Measurement
- Asset Management Services
- Sub-Advisory Services to Mutual Funds

Merriman Wealth Advisors is a SEC-registered investment adviser with its principal place of business located in California. Merriman Wealth Advisors began conducting business in 2013.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

- Merriman Holdings

Merriman Holdings is a publicly-held company.

Merriman Wealth Advisors offers the following advisory services to our clients.

- Asset allocation strategies
- Formulation of investment guidelines, objectives, investment policy statement
- Review of existing portfolio
- Money Manager search and selection
- Performance Measurement
- Asset Management Services
- Sub-Advisory Services to Mutual Funds

Adviser may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

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

Merriman Wealth Advisors provides investment advisory services for a percentage of the assets managed or advised on. Management fees start at 0.4 % of assets under management, but any non-discretionary fee may be reduced based upon the amount of the assets and the scope of the management services provided. All clients are informed of the fee arrangement prior to signing any agreement. At the beginning of each quarter Merriman Wealth Advisors charges a fee for the upcoming quarter. If a client terminates his or her agreement with Merriman Wealth Advisors prior to the end of a quarter, a pro rata portion of the management fee will be refunded. We normally deduct our fees from client accounts.

Clients will pay a broker-dealer transaction fee or commission for buying or selling securities. See Item 12 below. These commissions, mark-ups and mark-downs will be paid directly from your account to the broker-dealer who completes the purchase or sale. Purchase and sale of ETFs and certain mutual funds may also involve a brokerage fee.. In addition, mutual funds charge management fees, fund expenses, and possibly a distribution fee in their net price. Such expenses and fees are described in their prospectuses.

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations.

The implementation of any or all recommendations is solely at the discretion of the client.

### **Other Revenue**

Management personnel and other related persons of our firm are licensed as registered representatives of a broker-dealer and, acting in that capacity, they can implement transactions for our advisory clients. In so doing, these individuals will earn separate compensation in the form of commissions and/or 12b-1 fees (trail fees earned from the sale of mutual funds and/or ETFs). These commission fees represent more than half of our firm's annual revenue.

While these individuals endeavor at all times to put the interest of the clients first as part of Merriman Wealth Management's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations.

### **GENERAL INFORMATION**

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will prorate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to Merriman Wealth Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Advisory Fees in General:***

Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment advisers disclose to their advisory clients that lower fees for comparable services may be available from other sources. As such, clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

Merriman Wealth Advisors does not charge Performance Based Fees.

**Item 7 Types of Clients**

Merriman Wealth Advisors provides investment advice and investment management services to: Individuals, Pensions/Profit Sharing Plans, Trusts, Estates, and Charitable Organizations. The minimum account size for opening an account with us is typically \$100,000.

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

***METHODS OF ANALYSIS***

Merriman Wealth Advisors provides financial planning services primarily through the use of software and internally developed models to determine current financial condition and define long term goals. In order to determine a suitable course of action for a client, we perform a review of variables presented on a customized basis. The review may include investment objectives, income and tax status, personal and business assets, risk profile, liquidity constraints and other relevant factors. After analyzing the variables and assets presented, a written plan will be furnished to the client which can be implemented at Merriman Wealth Advisors or away from the firm. Merriman Wealth Advisors uses various internal research and models and third party vendor

products to manage assets. Examples of third party sources used to assist in managing assets include; S&P Research, Bloomberg, Morningstar, various ETF and securities screeners, news services and statistical ratings organizations.

Investing in securities involves risk of loss that clients should be prepared to bear. This includes the risk of capital (invested amount) and any profits that have been realized. Stock and bond markets may fluctuate substantially over time, and performance of any investment is not guaranteed.

Our investment strategies may not achieve their objectives, and they are not intended to be a complete investment program.

The principal risks of our strategies are:

- **Market Risk:** The risk that the value of the securities in which the strategies invest may drop in reaction to tangible and intangible events and conditions independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may cause a change in the value of the securities. Price changes may be temporary or may last for extended periods.
- **Equity Securities Risk:** The risk that events or circumstances at a particular industry, or a particular company within an industry will impact the value of the stocks and ETFs held by the strategy and thus, the value of your investment over short or extended periods.
- **Sector Concentration Risk:** The risk that events negatively affecting an industry or market sector in which a strategy invests will cause the overall value of the strategy to decline.
- **Turnover Risk:** The risk that frequent trading will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains that can negatively impact your overall investment as compared to investments in strategies with low turnover. Some of our investment strategies may involve frequent trading and/or turnover and investors should carefully consider the impact of taxes and brokerage costs on their investment portfolio.
- **Quantitative Risk:** The risk that the effectiveness of the quantitative model used for the strategy can dissipate over time as similar strategies are adopted and as the market becomes more efficiently priced.
- **Modeling Risk:** Morton Wealth Advisors research and modeling process is extremely complex and the results of that process must then be translated into computer code.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9    Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The following are disciplinary events relating to our firm and/or our management personnel:

On November 10, 2009, the Securities and Exchange Commission ("SEC") issued an *Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Sections 15(b) and 21(c) of the Securities and Exchange Act of 1934, Making Findings and Imposing Remedial Sanctions and a Cease-and-Desist Order as to MCF, D. Jonathan Merriman, and Christopher Aguilar* (the "Order").

The Order was issued in connection with the conduct of a former broker of Merriman Wealth Management's affiliated SEC-registered broker-dealer, Merriman Capital Inc. ("MCI") (formerly Merriman Curhan Ford & Co.), David Scott Cacchione, from approximately March 2006 to April 2008 for violation of the anti-fraud provisions of the federal securities laws. Cacchione was fired in May 2008, shortly after the underlying facts became known.

The Order censured and imposed sanctions for the failure of MCI to reasonably supervise Cacchione with a view toward preventing future violations arising out of his disseminating confidential customer information to third parties and executing unauthorized orders for certain customers. Pursuant to the Order, MCI paid a penalty of \$100,000 and was required to retain an Independent Consultant to review and make recommendations as needed to MCI's written policies and procedures relating to the supervision of registered representatives.

The Order made no finding or allegation of any fraudulent activity involving anyone at MCI other than Cacchione. MCI cooperated fully with the SEC's investigation and consented to the SEC's Order without admitting or denying the findings.

As a result of the Order, MCI was subject to statutory disqualification under Section 3(a)(39) of the Securities Exchange Act of 1934 and Article III, Section 4 of the FINRA By-Laws. The disqualification period ended in November of 2010.

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

Merriman Wealth Advisor employees are also registered representatives and/or investment advisor representatives of Capitol Securities and Associates, a non-affiliated registered broker dealer. Additionally, they are licensed as insurance agents and can offer life, disability, fixed and variable annuities and other insurance products. All compensation received for securities transactions through Capitol Securities and/or insurance sales will be separate, yet customary for effecting services and transactions, including 12b-1 fees for the sale of investment company products. We may make differing recommendations with respect to the same securities or insurance products to different advisory clients. All recommendations made are specific to each client's needs and current financial situation. Clients to whom Merriman Wealth Advisor offers advisory services are advised that they are free to implement recommendations under any broker dealer and/or insurance agent they chose.

Mr. Febbo is separately licensed as registered representative of Merriman Capital, Inc., an affiliated registered broker/dealer. Mr. Febbo is the Chairman of Medpanel, LLC, a company that specializes in providing quantitative and qualitative research on the development and commercialization of medical products. Mr. Febbo devotes approximately 10 – 15 hours per month to this activity.

While Merriman Wealth Advisors and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Clients should be aware that the receipt of additional compensation by Merriman Wealth Advisors and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Merriman Wealth Advisors endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;



- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Merriman Wealth Advisors and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Merriman Wealth Management's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [wfebbo@merrimanco.com](mailto:wfebbo@merrimanco.com), or by calling us at 415-248-5603.

Merriman Wealth Advisors and individuals associated with our firm are prohibited from engaging in principal transactions.

Merriman Wealth Advisors and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be excluded in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
8. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
9. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
10. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
11. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
12. Any individual who violates any of the above restrictions may be subject to termination.

## **Item 12 Brokerage Practices**

Merriman Wealth Advisors may recommend to clients that they establish accounts with certain broker-dealers so that we are only dealing with a relatively small group of broker-dealers for administrative and operational purposes. In executing securities transactions for client accounts, Merriman Wealth Advisors seeks to obtain best execution based on several factors, which may include execution capability, commission rates, financial stability and responsiveness. We do not receive research or other products or services other than execution from a broker dealer or a third party in connection with client securities transactions.

In most cases, Merriman Wealth Advisors will trade securities on an individual account basis. When we deem the purchase and sale of securities to be in the best interest of more than one account, we may aggregate the securities to be purchased or sold, subject to our duty to seek best execution. The purchase price or sales price and related commissions will be allocated to each account on an average basis.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

### **Item 13    Review of Accounts**

Merriman Wealth Advisors reviews each client's account at least monthly for asset allocation, securities, mutual fund screening and performance. Portfolios are reviewed on a quarterly basis with clients. Michael Capobianco conducts portfolio reviews. Monthly written statements come from the broker that has custody of each client account.

These accounts are reviewed by: William Febbo, Chief Compliance Officer

**REPORTS:** Merriman Wealth Advisors does not provide reports to its clients.

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

Merriman Wealth Advisors may contract with independent solicitors to obtain new clients. These solicitors are paid a fee by us for each referral that becomes a client. Any such contracts will be structured in compliance with all applicable rules and regulations. We will disclose to each new client, the name of the solicitor and the nature of its compensation when they enter into an agreement with Merriman Wealth Management

### **Item 15    Custody**

Client accounts and assets are held at independent broker-dealers selected by each client. These independent broker-dealers will send account statements to our clients for review on at least a quarterly basis. Clients should carefully review these account statements.

### **Item 16    Investment Discretion**

Pursuant to the advisory agreement entered into between Merriman Wealth Advisors and each client, we have discretionary authority to manage the client's account, subject to any investment restrictions set forth in such agreement. These decisions include what securities to buy, amounts to be purchased, and commission rates paid.

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

Merriman Wealth Advisors will not have proxy voting authority over client's securities. Clients receive proxy materials directly from the custodians in which their securities are maintained.

### **Item 18    Financial Information**

Merriman Wealth Advisors is not required to provide our balance sheet to clients, we do not require prepayment of fees 6 months or more in advance. Merriman Wealth Advisors has never been the subject of a bankruptcy petition. We have no financial condition that is reasonably likely to impair our ability to meet our contractual obligations to clients.

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

The formal education and business background of each of our executive officers and management persons are set forth in our Part 2B of Form ADV. Merriman Wealth Advisors is not actively engaged in any other activities other than as described herein.

The following individuals are the principal executive officers and management persons of Merriman Wealth Management:

William J. Febbo, Chief Executive Officer and Chief Compliance Officer

Information regarding the formal education and business background for William Febbo is provided in their respective Brochure Supplements (Part 2B of Form ADV).

Neither Merriman nor any supervised person is compensated for advisory services with performance-based fees.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted.

The disciplinary events relating to our firm and/or our management personnel are disclosed in Item 9 of this document.

Neither Merriman nor any management person maintains a relationship or arrangement with any issuer of securities.