

# Disclosure Brochure

February 19, 2015

## **Gupta Wealth Management, LLC**

*a Registered Investment Adviser*

This brochure provides information about the qualifications and business practices of Gupta Wealth Management, LLC (hereinafter “GWM” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). GWM is an SEC registered investment adviser. Registration does not imply any level of skill or training.

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## **Item 2. Material Changes**

In this Item, GWM is required to discuss any material changes that have been made to the brochure since the last annual amendment filed on March 27, 2014.

The Firm has revised Item 4 to indicate that financial planning services may be provided on a stand-alone basis. The Firm has revised Item 10 to disclose conservation easements that may be managed by its affiliate, GWM Real Estate Partners 2014, LLC. The Firm has revised Item 14 to disclose that the Firm may pay referral fees to unaffiliated and/or affiliated solicitors.

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## Item 4. Advisory Business

GWM provides clients with wealth management services which generally include a broad range of comprehensive financial planning services as well as the discretionary or non-discretionary management of investment portfolios. Prior to the rendering of any of its advisory services, clients are required to enter into one or more written agreements with GWM setting forth the relevant terms and conditions of the advisory relationship (the “*Agreement*”).

GWM has been conducting business since October 2013 and is principally owned by Ajay Gupta. As of December 31, 2014, the Firm had \$689,505,981 in assets under management, of which \$597,263,276 were managed on a discretionary basis and \$92,242,705 were managed on a non-discretionary basis.

While this brochure generally describes the business of GWM, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on GWM’s behalf and is subject to the Firm’s supervision or control.

### Wealth Management Services

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#### Financial Planning

The financial planning component of the wealth management offering may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Asset Allocation
- Retirement Planning
- Estate Planning
- Financial Reporting
- Investment Consulting
- Real Estate Advisory
- Insurance Needs Analysis
- Retirement Plan Analysis
- Charitable Giving
- Risk Management
- Lending Solutions
- Distribution Planning

While financial planning services are typically offered as part of the comprehensive wealth management engagement, certain financial planning and consulting services are also available on a stand-alone basis. In performing these services, GWM is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

GWM may recommend the services of itself, its *Supervised Persons* in their individual capacities as insurance agents or other professionals to implement its recommendations. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by GWM under a financial planning engagement or to engage the services of any such recommended professionals, including GWM itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising GWM's previous recommendations and/or services.

### Investment Management

In connection with the investment management component of the wealth management offering, GWM manages client investment portfolios on a discretionary or non-discretionary basis.

GWM primarily allocates client assets among various independent investment managers ("*Independent Managers*"), mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and options in accordance with the investment objectives of its individual clients. In addition, GWM may also recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage GWM to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, GWM directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

GWM tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. GWM consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify GWM if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if GWM determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### Use of Independent Managers

As mentioned above, GWM may select certain *Independent Managers* to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an *Independent Manager*

are set forth in a separate written agreement between the designated *Independent Manager* and either GWM or the client. In addition to this brochure, clients may also receive the written disclosure documents of the designated *Independent Managers* engaged to manage their assets.

GWM evaluates various information about the *Independent Managers* it chooses to manage client portfolios, which may include the *Independent Managers'* public disclosure documents, materials supplied by the *Independent Managers* themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Managers'* investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. GWM also takes into consideration each *Independent Manager's* management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

GWM continues to provide services relative to the discretionary selection of the *Independent Managers*. On an ongoing basis, the Firm monitors the performance of those accounts being managed by *Independent Managers*. GWM seeks to ensure the *Independent Managers'* strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### Item 5. Fees and Compensation

GWM offers its services to clients for a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management or advisement. Certain of GWM's *Supervised Persons*, in their individual capacities, may receive compensation for the referral of insurance and mortgage products under a separate commission arrangement.

#### Wealth Management Fees

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GWM provides wealth management services for an annual fee based on the amount of assets under the Firm's management. The fee varies depending upon the size of a client's portfolio and the type of services rendered, based on the following fee schedule:

| PORTFOLIO VALUE    | ANNUAL FEE |
|--------------------|------------|
| First \$5,000,000  | 1.00%      |
| Next \$5,000,000   | 0.75%      |
| Above \$10,000,000 | 0.50%      |

Certain of the Firm's legacy clients are subject to a lower fee schedule. The annual fee is prorated and charged quarterly, in arrears, based upon the average daily value of the assets being managed by GWM during the previous quarter. Since the fee is determined by average daily account balance, if assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted accordingly. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period

is prorated through the effective date of the termination and the outstanding balance is charged to the client.

## **Financial Planning and Consulting Fees**

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For stand-alone financial planning or consulting services, GWM generally charges either a negotiable hourly and/or fixed fee. The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with GWM.

## **Credit Advisory/Servicing Fee**

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Non-investment related margin services and/or securities-based lines of credit may be provided to certain clients for an annual fee of up to 50 basis points based upon the margin balance held within the client's managed accounts.

## **Fee Discretion**

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GWM, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

## **Additional Fees and Expenses**

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In addition to the advisory fees paid to GWM, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. GWM does not, however, receive any portion of these commissions, fees, and costs.

## **Fee Debit**

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Clients provide GWM with the authority to directly debit their accounts for payment of the Firm's wealth management fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to GWM.

## Account Additions and Withdrawals

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Clients may make additions to and withdrawals from their account at any time, subject to GWM's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to GWM, subject to the usual and customary securities settlement procedures. However, GWM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. GWM may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees and/or fees assessed at the mutual fund level (i.e., contingent deferred sales charge). GWM does not, however, receive any portion of these fees. In addition, clients are advised that when transferred securities are liquidated, they may be subject to tax consequences.

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

GWM does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## Item 7. Types of Clients

GWM provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

### Minimum Account Requirements

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As a condition for starting and maintaining a wealth management relationship, GWM generally imposes a minimum portfolio size of \$1,000,000 and a minimum annual fee of \$10,000.

The Firm, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationships, account retention and *pro bono* activities. GWM only accepts clients with less than the minimum portfolio size if, in the sole opinion of the Firm, the smaller portfolio size will not result in a substantial increase of investment risk beyond the client's identified risk tolerance. GWM may aggregate the portfolios of family members to meet the minimum portfolio size.

Additionally, certain *Independent Managers* may impose more restrictive account requirements and varying billing practices than GWM. In such instances, GWM may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.



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

### Methods of Analysis

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GWM utilizes a combination of fundamental, technical and cyclical methods of analysis.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For GWM, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that GWM will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that GWM is recommending. The risks with cyclical analysis are similar to those of technical analysis.

### Investment Strategies

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Prior to developing an investment strategy tailored to each client, the Firm's gathers and analyzes detailed information about the client, including goals, existing investments, insurance coverage, sources of income, and other assets and liabilities. The Firm then seeks to define the client's investment objectives and risk profile, which together form the basis for the selection and diversification of investments. Once an initial investment strategy is established, the Firm's investment advisors continually monitor its clients' portfolios, making changes as needed.

### Risks of Loss

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#### *General Risk of Loss*

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

## *Market Risks*

The profitability of a significant portion of GWM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that GWM will be able to predict those price movements accurately.

## *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## *Options*

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Option transactions involve inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or decrease to the level of the respective strike price. Holders of option contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

## *Use of Independent Managers*

GWM may recommend the use of *Independent Managers*. In these situations, GWM continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the *Independent Managers'* ability to successfully implement their investment strategies. In addition, GWM generally may not have the ability to supervise the *Independent Managers* on a day-to-day basis.

## *Use of Private Collective Investment Vehicles*

GWM recommends that certain clients invest in privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and other offering documents explaining such risks prior to investing.

## **Item 9. Disciplinary Information**

GWM has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

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

### **Related Investment Adviser**

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GWM is under common control with its affiliated SEC registered investment adviser, Stronghold Financial, LLC ("Stronghold Financial"). Certain *Supervised Persons* of GWM also serve in the same or similar capacity for Stronghold Financial. From time-to-time, Stronghold Financial may recommend prospective clients engage the Firm for advisory services.

### **Receipt of Insurance Commission**

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Certain of GWM's *Supervised Persons*, in their individual capacities, are also licensed insurance agents. When appropriate, these *Supervised Persons*, in their individual capacities, may recommend the purchase of certain insurance products to advisory clients on a fully-disclosed commission basis. A conflict of interest exists to the extent that GWM recommends the purchase of insurance products where its *Supervised Persons* receive insurance commissions or other additional compensation. As a result GWM has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of its clients.

## Mortgage Solicitor

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GWM does not sell mortgage products to its investment advisory clients; however, GWM and its *Supervised Persons* may recommend and refer certain clients to various licensed mortgage brokers. GWM or its *Supervised Persons* will be entitled to receive a referral fee from the mortgage brokers based upon the mortgage brokers' compensation. A conflict of interest exists to the extent that GWM recommends and facilitates the purchase of a mortgage where its *Supervised Persons* receive referral commissions or other additional compensation. As a result GWM has procedures in place to ensure that any recommendations made by such Supervised Persons are in the best interest of its clients.

## Association with Other Real Estate Ventures

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GWM is a member and the manager of Lavender Senior Living, LLC ("*Lavender*") and Senior Housing NVCA, LLC ("*Senior Housing NVCA*"), which are companies formed for the purpose of investing in real property. A conflict of interest exists to the extent GWM's *Supervised Persons* recommend an investment in *Lavender* or *Senior Housing NVCA* due to GWM's affiliation therewith. GWM seeks to ensure that any such recommendations are provided on a fully-disclosed basis and only when aligned with its clients' bests interests. As set forth in *Lavender's* and *Senior Housing NVCA's* operating agreements, the Firm receives an annual fee for its management of those companies; however, such annual fee is in lieu of any other fee that the Firm would otherwise charge to its clients who are also members of the companies.

## Conservation Easements

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From time-to-time, the Firm may discuss with certain clients the tax benefits of investing in conservation easements. The Firm's affiliate, GWM Real Estate Partners 2014, LLC, is the manager of certain entities set up for the express purpose of investing in real estate to be converted to conservation easements. As compensation for organizing, administering, and managing such entities, GWM Real Estate Partners 2014, LLC is eligible to receive 5% of each member's capital contribution as in-kind compensation, and thus is also a member of any such entities.

## Item 11. Code of Ethics

GWM has adopted a code of ethics in compliance with applicable securities laws ("*Code of Ethics*") that sets forth the standards of conduct expected of its *Supervised Persons*. GWM's *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of GWM's personnel (called "*Access Persons*") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, GWM's *Supervised Persons* are permitted to buy or sell

securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact GWM to request a copy of its *Code of Ethics*.

### Item 12. Brokerage Practices

GWM generally recommends that clients utilize the brokerage and clearing services of Schwab Advisor Services™ ("*Schwab*"), Fidelity Institutional Wealth Services ("*Fidelity*") Pershing, LLC through Pershing Investment Manager Services ("*Pershing*") and TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. ("*TD Ameritrade*") for investment management accounts. GWM participates in the institutional customer program offered by *TD Ameritrade*, an unaffiliated SEC-registered broker-dealer and FINRA member. *TD Ameritrade* offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. GWM receives some benefits from *TD Ameritrade* through its participation in the institutional customer program.

Factors which GWM considers in recommending *Schwab*, *Fidelity*, *Pershing*, *TD Ameritrade*, or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab*, *Fidelity*, *Pershing*, and *TD Ameritrade* enable GWM to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab*, *Fidelity*, *Pershing*, and *TD Ameritrade* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by GWM's clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where GWM determines that the commissions are 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 a *Financial Institution's* services, including the value of research provided, execution capability, commission rates and responsiveness. GWM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

GWM periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct GWM in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by GWM (as described below). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, GWM may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless GWM decides to purchase or sell the same securities for several clients at approximately the same time. GWM may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among GWM's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among GWM's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that GWM determines to aggregate client orders for the purchase or sale of securities, including securities in which GWM's *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. GWM does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment

guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, GWM may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Software and Support Provided by Financial Institutions**

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GWM may receive from *Schwab, Fidelity, Pershing, and TD Ameritrade*, without cost to GWM, computer software and related systems support, which allow GWM to better monitor client accounts maintained at those *Financial Institutions*. GWM may receive the software and related support without cost because GWM renders investment management services to clients that maintain assets at *Schwab, Fidelity, Pershing, and TD Ameritrade*.

In addition, GWM may receive economic benefits from *Schwab, Fidelity, Pershing, and TD Ameritrade* through their respective institutional divisions that are not typically available to those *Financial Institutions'* retail investors. There is no direct link between GWM's participation in the institutional programs and the investment advice it gives to its clients. These institutional economic benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

These products or services may assist GWM in managing and administering client accounts, including accounts not maintained at the respective *Financial Institution*. Other services made available by *Schwab, Fidelity, Pershing, and TD Ameritrade* are intended to help GWM manage and further develop its business enterprise. In addition, *Schwab* has agreed to provide the Firm with marketing support to be used towards certain transition related marketing expenses, including advertising, promotion, branding, etc.

The software, support, and economic benefits received by GWM from *Schwab, Fidelity, Pershing, and TD Ameritrade* do not depend on the amount of brokerage transactions directed to those *Financial Institutions*.

GWM endeavors at all times to put the interests of its clients first; however, clients should be aware that the Firm's receipt of the above economic benefits from *Schwab, Fidelity, Pershing, and TD Ameritrade*



create a conflict of interest since these benefits may influence GWM's choice of one *Financial Institution* over another that does not furnish similar software, systems support or services.

### Item 13. Review of Accounts

#### Account Reviews

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For those clients to whom GWM provides investment management services, GWM monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a monthly basis. For those clients to whom GWM provides financial planning services, reviews are conducted on an "as needed" basis. All such reviews are conducted by one of GWM's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with GWM and to keep GWM informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

#### Account Statements and Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. On a quarterly basis or as otherwise requested, clients may also receive written or electronic reports from GWM and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from GWM or an outside service provider.

Those clients to whom GWM provides financial planning services will receive reports from GWM summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by GWM.

### Item 14. Client Referrals and Other Compensation

#### Client Referrals

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If a client is introduced to GWM by either an unaffiliated or an affiliated solicitor, GWM may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from GWM's investment management fee and does not result in any additional charge to the client. If the client is introduced to GWM by an unaffiliated solicitor, the solicitor provides the client with a copy of GWM's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of



the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of GWM discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of GWM's written disclosure brochure at the time of the solicitation.

### **Other Economic Benefits**

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In addition, GWM is required to disclose any relationship or arrangement where it receives an economic benefit from a non-client party for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

## **Item 15. Custody**

GWM's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize GWM through such *Financial Institution* to debit the client's account for the amount of GWM's wealth management fee and to directly remit that fee to GWM in accordance with applicable custody rules.

The *Financial Institutions* recommended by GWM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to GWM. In addition, as discussed in Item 13, GWM also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from GWM.

## **Item 16. Investment Discretion**

GWM may be given the authority to exercise discretion on behalf of clients. GWM is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. GWM is given this authority through a power-of-attorney included in the *Agreement* between GWM and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). GWM takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

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

GWM is required to disclose if it accepts authority to vote client securities. GWM does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

### **Item 18. Financial Information**

GWM is not required to disclose any financial information pursuant to this Item due to the following: the Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered; the Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and the Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Gupta Wealth Management, LLC**

Prepared by:



**MARKETCOUNSEL®**  
*The Adviser's Advisor®*