

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

**Solutions for Wealth Management, LLC**

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March 20, 2015

This brochure provides information about the qualifications and business practices of Solutions for Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 815-935-6636 or [marks@w-m-s.com](mailto:marks@w-m-s.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 with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Solutions for Wealth Management, LLC also 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 113570.

## Item 2    Material Changes

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 new 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.

This Firm Brochure, dated March 20, 2015, contains the following material changes since the filing of our last annual updating amendment on March 18, 2014:

We have adopted a new fee schedule as of April 1, 2014 for Investment advisory and Pension Consulting clients as follows:

The annualized fee for Investment Supervisory Services will be charged as a percentage of assets under management, according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
On the first \$500,000	1.50%
On the next \$500,000	1.00%
On the next \$1,000,000	.70%
On the next \$1,000,000	.50%
On the next \$2,000,000	.40%
On all amounts thereafter	.35%

SWM does not have a defined minimum account size and instead has established a \$2,500 minimum fee.

Our fees for Pension Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
On the first \$1,000,000	1.00%
On the next \$1,000,000	.75%
On the next \$3,000,000	.55%
On the next \$5,000,000	.40%
On all amounts thereafter	.35%

Plan sponsors or plans are invoiced in advance at the beginning of each calendar quarter. A total minimum fee of \$2,500 per year is required. This minimum fee may prevent SWM from providing services to very small ERISA plans.

### **Item 3     Table of Contents**

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	8
Item 6	Performance-Based Fees and Side-By-Side Management	11
Item 7	Types of Clients	11
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9	Disciplinary Information	13
Item 10	Other Financial Industry Activities and Affiliations	13
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	15
Item 12	Brokerage Practices	16
Item 13	Review of Accounts	19
Item 14	Client Referrals and Other Compensation	20
Item 15	Custody	20
Item 16	Investment Discretion	21
Item 17	Voting Client Securities	21
Item 18	Financial Information	22

## **Item 4    Advisory Business**

Solutions for Wealth Management, LLC is a SEC-registered investment adviser with its principal place of business located in Illinois. Solutions for Wealth Management, LLC began conducting business in 1998.

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

- Mark L Smith, Managing Member

Solutions for Wealth Management, LLC (SWM) offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS")**

#### **INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non 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.

SWM may also recommend individual fixed income securities to clients. SWM also has contracted with Buckingham Asset Management, LLC., for sub-advisory services with respect to client's fixed income accounts. Buckingham provides income portfolio construction. SWM pays a fee to Buckingham for services based upon fees paid to SWM, which have no effect on client fees as determined by contract. Complete fixed income portfolios generally require a minimum investment of \$400,000 although individual bonds may be purchased.

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

Once the client's portfolio has been established, we review the portfolio quarterly, and if necessary, rebalance the portfolio based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper

- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Futures contracts on tangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Other

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **PENSION CONSULTING SERVICES**

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

### ***Investment Policy Statement Preparation (hereinafter referred to as "IPS"):***

We will meet with the client to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

### ***Selection of Investment Vehicles:***

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

### ***Monitoring of Investment Performance:***

We monitor client investments continually, based on the procedures and timing intervals delineated in the Investment Policy Statement. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

### ***Employee Communications:***

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide quarterly educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines

established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### **Advisors Access™ 401k**

SWM also offers the Advisors Access™ 401k in coordination with BAM Advisor Services, LLC (BAM). In Advisors Access™ 401k, SWM provides those services as described above with the direct support of BAM. Clients choosing Advisors Access™ 401k will engage both SWM and BAM, which will provide to the client additional discretionary investment management services.

In Advisors Access™ 401k, BAM will exercise discretionary authority to select the plan investments made available to plans' participants. BAM will exercise discretionary authority to select and maintain the plans' investments according to the goals and investment objectives of the plan.

SWM will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and

attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Other

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

### **AMOUNT OF MANAGED ASSETS**

As of December 31, 2014, we were actively managing \$178,194,918 of clients' assets on a discretionary basis.

## Item 5 Fees and Compensation

### INVESTMENT SUPERVISORY SERVICES

#### INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fee for Investment Supervisory Services will be charged as a percentage of assets under management, according to the following schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
On the first \$500,000	1.50%
On the next \$500,000	1.00%
On the next \$1,000,000	.70%
On the next \$1,000,000	.50%
On the next \$2,000,000	.40%
On all amounts thereafter	.35%

SWM does not have a defined minimum account size and instead has established a \$2,500 minimum fee.

***Limited Negotiability of Advisory Fees:*** Although SWM has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the advisor and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

Clients will be invoiced in advanced at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of client's account on the last market day of the previous quarter. Market valuations are derived from daily reports from account custodians. Accrued interest is included in the valuation of fixed income portfolio. New accounts are charged a prorated fee for the remainder of the quarter in which the account incepted (generally the date the first trade, unless otherwise agreed to with the client).

SWM will request authority from the client to receive quarterly payments directly from the client's account held by an independent qualified custodian. Clients may provide limited authority to SWM to withdraw fees from the account. SWM will send to the client an invoice showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. Clients should verify accuracy of the fee calculation in such invoices.



## PENSION CONSULTING FEES

Our fees for Pension Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

<u><b>Assets Under Management</b></u>	<u><b>Annual Fee</b></u>
On the first \$1,000,000	1.00%
On the next \$1,000,000	.75%
On the next \$3,000,000	.55%
On the next \$5,000,000	.40%
On all amounts thereafter	.35%

Plan sponsors or plans are invoiced in advance at the beginning of each calendar quarter.

A total minimum fee of \$2,500 is required. This minimum fee may prevent SWM providing services to very small ERISA plans.

## FINANCIAL PLANNING FEES

SWM's Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$75 to \$250 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

Our Financial Planning fees typically range from \$750 to \$10,000, depending on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$1,200 for work that will not be completed within six months. The balance is due upon completion of the plan.

The client will be billed in arrears on a monthly basis as earned.

## 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 pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to SWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs 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. 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.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to SWM's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** SWM is deemed to be a fiduciary to advisory clients that are employee benefit plans pursuant to the Employee Retirement Income and Securities Act (ERISA). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, SWM may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisors for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

SWM does not charge performance-based fees.

## **Item 7 Types of Clients**

SWM provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each

applicable service.

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

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**Other:** SWM's security analysis is based upon a number of factors including those derived from commercially available software technology, security rating services, general market and financial information, due diligence reviews and specific investment analysis that clients may request.

SWM's main sources of information include commercially available investment services, financial newspapers, periodicals and issuer-prepared information. SWM also receives research from consultants, including economists affiliated with Dimensional Fund Advisors (DFA). DFA provides historical market analysis, risk/return analysis and continuing education to SWM through BAM Advisor Services, LLC.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** SWM's investment advice is based upon long-term investment strategies incorporating the principles of Modern Portfolio Theory. SWM's investment approach is firmly rooted in the belief that markets are efficient and that investors returns are determined principally by asset allocation decisions, not by market timing or stock picking. SWM focuses on developing diversified portfolios, principally through the use of passively managed, asset class mutual funds that are available only to institutional investors and clients of a network of selected investment advisors.

Although all investments involve risk, SWM's investment recommendations seek to limit risk through broad diversification and investment in conservative fixed income securities. SWM's investment philosophy is designed for investors who desire a buy and hold strategy, with an investment time horizon of a minimum of five years, and preferably ten years or more. Frequent trading of securities increases brokerage and other transactions costs that SWM's philosophy seeks to minimize. Investors who do not commit to Modern Portfolio Theory philosophy may not achieve positive long-term results.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**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.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

We are a registered Investment Advisor and have a material business relationship (referred to collectively as the "Related Companies"):

Smith, Koelling, Dykstra & Ohm P.C. (SKDO) a Licensed Public Accounting Firm;  
North Convent, LLC (NORTH), a licensed Insurance Agency;  
BAM Advisor Services, LLC (BAM) a registered Investment Advisor;  
Buckingham Asset Management, LLC (BUCKINGHAM), a registered Investment Advisor;  
The BAM ALLIANCE (ALLIANCE) an alliance of independent registered Investment Advisors.

Where appropriate, SWM and our employees may recommend the various investment and investment-related services of the Related Companies to our advisory clients. The Related Companies and their employees may also recommend the advisory services of our firm to their clients. The services provided by the Related Companies are separate and distinct from our advisory services, and are provided for separate and additional compensation.

In addition, the management persons and other employees of SWM are: (1) management persons of SKDO, a licensed public accounting firm; and, (2) management persons and insurance agents of NORTH, a licensed insurance agency.

**1. Smith, Koelling, Dykstra & Ohm P.C. (SKDO)** typically recommends SWM to accounting clients in need of advisory services. Conversely, SWM typically recommends SKDO to advisory clients in need of accounting services. Accounting services provided by SKDO are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. No SWM client is obligated to use SKDO for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by SWM. SKDO's accounting services do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf.

These individuals will spend the majority of their time on their accounting practice.

SWM pays a fee to SKDO for overhead and clerical services at the rate of 10% of net revenue and in return is reimbursed for staff at hourly rates. While these individuals endeavor at all times to put the interests of the client first as part of SWM'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.

**2. North Convent, LLC (NORTH)** is a licensed insurance agency. NORTH offers whole life, term, long term care and disability insurance. Mark Smith, Managing Member of SWM and other associated persons of SWM are licensed as insurance agents for NORTH and may recommend insurance products to SWM clients. In their capacities as insurance agents, these individuals are able to implement recommended insurance transactions for advisory clients for separate and typical commission compensation.

Management personnel of SWM, in their individual capacities, are agents for NORTH and various insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, 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.

**3. BAM Advisor Services, LLC (BAM)** SWM has contracted with BAM for services with respect to clients' equity trading accounts, including processing, collecting of management fees, record maintenance, report preparation, marketing assistance and research. SWM pays a fee to BAM for services based upon fees to SWM which have no effect on client fees as determined by contract.

**4. Buckingham Asset Management, LLC (BUCKINGHAM)** SWM has contracted with BUCKINGHAM for sub-advisory services with respect to client's fixed income accounts. BUCKINGHAM provides income portfolio construction. SWM pays a fee to BUCKINGHAM for services based upon fees paid to SWM which have no effect on client fees as determined by contract.

SWM has contracted with BUCKINGHAM for business continuity due to the death or disability of Mark Smith. This agreement will allow BUCKINGHAM, an affiliate of BAM, to advise SWM clients as to their investments. SWM will pay a fee for services based upon client fees paid to SWM which has no effect on fees determined by contract.

**5. The BAM ALLIANCE (ALLIANCE)** ALLIANCE is made up of independent investment advisors who jointly market their services. There is no remuneration from this activity.

Clients should be aware that the receipt of additional compensation by SWM 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. SWM endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment advisor; 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/insurance 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**

SWM had adopted a Code of Ethics expressing the firm's commitment to ethical conduct. SWM's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth SWM's practice of supervising the personal security transactions of employees with access to client information. Individuals with SWM may buy and sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of SWM that no person employed by the firm shall prefer his or her own interest over that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

SWM 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 record keeping provisions.

SWM'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 marks@w-m-s.com, or by calling us at 815-935-6636.

SWM and individuals associated with our firm are prohibited from engaging in principal transactions.

SWM and individuals associated with our firm are prohibited from engaging in agency cross transactions.

SWM personnel may from time to time, invest in securities that it recommends for clients. No position is expected to be material to the advisor or client. In addition, at all times, the client's trades shall precede the trades of the advisor or related person.

## **Item 12 Brokerage Practices**

SWM requires that it be provided with written authority to determine the broker-dealer to use for client transactions and the commission costs that will be charged to our clients for these transactions. SWM does not accept directed brokerage arrangements with clients.

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.

As a matter of policy and practice, SWM does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisors who block client trades. However, BUCKINGHAM does block traders for fixed income accounts.

SWM may recommend that clients establish brokerage accounts with the following broker-dealers to maintain custody of clients' assets and to effect trades for their accounts. Although we recommend that clients establish accounts at these broker-dealers, it is the client's decision to custody assets with them:

- Schwab Institutional, a division of Charles Schwab & Co., Inc. (SCHWAB), a
- National Financial Services, LLC, and Fidelity Brokerage Services, LLC together
- TD Ameritrade Institutional, a division of TD Ameritrade Inc., member SIPC (TD

**1. Charles Schwab & Co., (SCHWAB)** Schwab provides SWM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them as long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly

higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit SWM but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, record keeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to SWM. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment for our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## **2. National Financial Services, LLC and Fidelity Brokerage Services, LLC (FIDELITY)**

SWM has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services, LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like SWM in conducting business and in serving the best interests of



our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables SWM to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. As part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by SWM (within specified parameters).

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of SWM's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission 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 a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while SWM will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. SWM and Fidelity are not affiliate.

**3. TD Ameritrade Institutional (TD AMERITRADE)** SWM participates in the institutional customer program and we may recommend TD AMERITRADE to our clients for custody and brokerage services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to TD AMERITRADE retail investors.

These benefits include the following products and services (provided without cost or at a discount):

- duplicate client statements and confirmations;
- research related products and tools;
- consulting services;
- access to a trading desk serving advisor participants;
- access to block trading (which provides the ability to aggregate securities
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account
- access to mutual funds with no transaction fees and to certain Institutional money
- discounts on compliance, marketing, research, technology, and practice

- TD Ameritrade may also pay for business consulting and professional services

SWM corrects its trades through trade error accounts at Schwab, Fidelity or TD Ameritrade. If SWM incurs a loss in the client's account for any of its errors, SWM will make the client whole. If there is any gain in a Fidelity or TD Ameritrade account, the gain remains with SWM trade error account to net against future trade error losses.

SWM does not directly place its trades with broker-dealers, but instead places the client's trades with BAM. BAM then executes the orders through Schwab, Fidelity, TD Ameritrade or Enterprise. SWM has determined that this is a cost effective and efficient way of handling client trades; however clients should be aware that BAM is interpositioned between SWM and the ultimate broker-dealer executing the trade. For this service BAM is paid a portion of the client fees that SWM retains from clients. This service may also cause a nominal fee for trading away from the broker-dealer for fixed income purchases or sales.

With respect to retirement plans, 529 plans and after-tax annuities, SWM participates in the TIAA-CREF Financial Advisor Program offered to fee-only advisors. SWM may also recommend after-tax annuities from Peoples Benefit Life Insurance Company, a division of Aegon.

With respect to retirement plan service providers (RPSPs), SWM does not arrange for execution of security transactions. In such situations, transactions are executed directly through employee plan participation. SWM may, however, arrange for execution of security transactions for certain plans custodied at Schwab or Fidelity.

## **Item 13 Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES**

#### **INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Advisor assigned to the client relationship.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, SWM will provide quarterly reports summarizing account performance, balances and holdings.

#### **PENSION CONSULTING SERVICES**

**REVIEWS:** SWM will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. SWM will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will generally occur quarterly.

These accounts are reviewed by: Advisor assigned to the client relationship.

**REPORTS:** SWM will provide reports to Pension Consulting Services clients based on the terms set forth in the client's Investment Policy Statement (IPS).

## **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted.

**REPORTS:** Financial Planning clients will receive a completed financial plan as contracted. Additional reports will not typically be provided unless otherwise contracted for.

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

It is SWM's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is SWM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients. SWM does allow North Convent, LLC (NORTH) to receive commissions for insurance related products as placed by its employees as discussed in Item 10.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

On a limited basis, SWM advisors are custodian for clients' assets when requested by the client. Currently SWM has three clients that meet this definition. All funds are required to be held at a qualified independent custodian. This independent custodian sends separate statements either monthly or quarterly to the client. SWM also engages an Independent Certified Public Accountant on a surprise basis to confirm these accounts and activity with

both the custodian and the client.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

SWM in select circumstances (custody arrangements), may vote proxies. A copy of our proxy voting policies is available by request by sending an email to [marks@w-m-s.com](mailto:marks@w-m-s.com) or by phone at 815-935-6636.

## **Item 18 Financial Information**

SWM has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

SWM has not been the subject of a bankruptcy petition at any time during the past ten years.