

## Item 1 Cover Page

Part 2A of Form ADV: *Firm Brochure*



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May 21, 2015

This brochure provides information about the qualifications and business practices of Wisdom & Wealth Solutions, LLC. Registration does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 919-787-9725 or [pmathis@wisdom-wealth.com](mailto:pmathis@wisdom-wealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Wisdom & Wealth Solutions, 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 117823.

## **Item 2    Material Changes**

This Firm Brochure is our disclosure document prepared according to the SEC's requirements and rules.

This Item is used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

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

Wisdom & Wealth Solutions, LLC has no material changes since the last revision dated March 2, 2015.

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#### **Item 4    Advisory Business**

Wisdom & Wealth Solutions, LLC is an SEC registered investment advisor with its principal place of business located in Raleigh, NC. Registration does not imply a certain level of skill or training. Wisdom & Wealth Solutions, Inc. began conducting business in 1986 and became a Limited Liability Corporation as of January 2015. Ryan G Peterson is the President and John Ryan Heath is the Sr. Vice President. They are the only shareholders of the company.

Wisdom & Wealth Solutions, LLC 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. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

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
- Interests in partnerships investing in real estate

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.

### *Variable Product Advisory Programs*

If you own certain variable products, such as a Variable Annuity (“VA”) or Variable Universal Life (“VUL”) policy, Wisdom & Wealth Solutions, LLC may offer you advisory services on the subaccount allocations in your VA or VUL products. These services are managed as part of the ISS Individual Portfolio Management services described above. These services may be provided directly by your Advisor or by a Third-Party Money Manager recommended by your Advisor. In either case, Wisdom & Wealth Solutions, LLC Variable Product Advisory Program is designed to provide you with ongoing investment management services on the subaccount allocations within your VA or VUL products. Wisdom & Wealth Solutions, LLC Variable Product Advisory Program may be offered to you on a discretionary or non-discretionary basis.

### **401k/PROFIT SHARING 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 (in person or over the telephone) 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 vehicles (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.

## **SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS**

Clients participating in our Third Party Manager Account programs will be subject to our Individual Portfolio Management Fees described above. Advisory fees in connection with Third Party Managers will be billed directly to Wisdom & Wealth Solutions, LLC and paid for out of the Individual Portfolio Management Fees which will reduce the amount of fees earned (or retained) by our firm. Each client participating in this program must enter into a separate advisory agreement directly with the Third Party Manager and will be provided with appropriate disclosures prior to establishing an account with the independent advisor.

In evaluating such an arrangement, the client should also consider that custodial and transaction fees associated with the account managed by Third Party Managers will be borne by the participating client's account. Clients may experience higher portfolio turnover with certain active Third Party Managers than other less active managers. Portfolio turnover and other factors may cause a client to experience higher overall fees as a result of participating in the Third Party Manager Account program and should be taken into consideration.

## **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
- Futures contracts on tangibles

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.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **WRAP FEE PROGRAMS**

Wisdom & Wealth Solutions, LLC does not sponsor or participate in any wrap fee programs.

### **AMOUNT OF MANAGED ASSETS**

As of December 31, 2014, we were actively managing \$ 71,639,262 of clients' assets on a discretionary basis and \$ 59,543,000 on a non-discretionary basis.

## Item 5 Fees and Compensation

### INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

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

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$0 - \$999,999.99	1.65%
Next 1,000,000 – 2,999,999.99	1.50%
Next 3,000,000 – 4,999,999.99	1.25%
5,000,000 +	1.00%

*Fees are deducted in advance on a quarterly basis from client accounts unless client requests an alternate payment method.*

**Negotiability of Advisory Fees:** Although Wisdom & Wealth Solutions, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees up or down on a client-by-client basis. Client facts, circumstances and needs are 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 is 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.

### 401k/PROFIT SHARING CONSULTING FEES

Our fees for Separate Account 401(k) Plans are based on a percentage of assets under advisement, according to the following schedule:

<u>Total Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$249,999	0.85%
250,000 – 499,999	0.75%
500,000 – 999,999	0.65%



1,000,000 – 1,999,999	0.55%
2,000,000 – 4,999,999.99	0.45%
5,000,000 +	0.35%

*Fees are deducted in arrears on a quarterly basis from participant balances, unless the plan trustee directs us to bill the company directly.*

*Wisdom & Wealth Solutions provides plan analysis for existing retirement plans managed by outside firms. The \$500 nonrefundable fee will be applied toward future set-up or transfer fees upon signed agreement with Wisdom & Wealth Solutions.*

### **SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS FEES**

Clients participating in Third Party Manager Account programs may be charged various program fees in addition to our Individual Portfolio Management Fees described above. Wisdom & Wealth Solutions, LLC does not charge any additional fees for this service but includes these assets, for billing purposes, along with any other assets under the ISS fee schedule above.

Clients will enter into a separate advisory agreement with the Third Party Manager and will be provided with appropriate disclosures prior to establishing an account with the independent advisor.

In evaluating such an arrangement, the client should also consider that, depending upon the level of the fee charged by the independent manager, custodial fees, the amount of portfolio activity in the client's account, and other factors, the fees may or may not exceed the aggregate cost of such services if they were to be purchased from a different source. We will review with clients any separate program fees that may be charged to clients.

### **FINANCIAL PLANNING FEES**

Wisdom & Wealth Solutions, LLC's Financial Planning fee is an annual fixed fee which is determined based on the nature of the services being provided and the complexity of each client's circumstances. The annual Financial Planning fee for each client is agreed upon prior to entering into a contract with any client.

The initial or first year Financial Planning fee is charged in advance and typically ranges from \$1,500 to \$4,000 per year, although sometimes significantly higher, depending on the specific arrangement reached with the client.

Each new Financial Planning client may be required to pay a retainer upon the completion of our initial fact-finding session with the client and the remainder due upon completion or presentation of the client's initial financial plan. These fees once paid are non-refundable due to the nature, time and resources spent on developing each client's customized financial plan.

For existing Financial Planning clients who choose to engage us for Financial Planning Services for the following calendar year, they will be billed the annual fee in July, effectively billing half (50%) of the annual fee in arrears (January – June) and billing the other half (50%) in advance (July – December). The advance payment of client fees will never exceed \$1,200 for work that will not be completed within six months.

Clients who terminate the Financial Planning relationship prior to the second year or prior to the beginning of subsequent years will not be charged a fee for the upcoming year. Clients must terminate their relationship within 5 business days for the beginning of a calendar year. Otherwise, continuing clients (second year or subsequent) who terminate after the beginning of the calendar year (i.e. January 1) will be invoiced for a prorated portion of their annual fee up to the termination date for any period between January 1 and June 30, thereafter a client terminating the relationship anytime between July 1 and December 31 will be refunded any prorated portion of the fee invoiced and paid after July 1.

## **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. Clients who participate in Third Party Manager Account programs can terminate those relationships directly with the independent advisor.

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

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

***ERISA Accounts:*** Wisdom & Wealth Solutions, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans, pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. 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, Wisdom & Wealth Solutions, LLC 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, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Wisdom & Wealth Solutions, LLC's advisory 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**

Wisdom & Wealth Solutions, LLC does not charge performance-based fees.

## **Item 7 Types of Clients**

Wisdom & Wealth Solutions, LLC does not impose any account minimums and 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 (including plan participants)
- Corporations or other businesses not listed above

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

### **METHODS OF ANALYSIS**

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

***Charting.*** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

***Fundamental Analysis.*** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**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.

## INVESTMENT STRATEGIES

We use the following strategies 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.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

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.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

### **Variable Product Advisory Management Program.**

The Variable Product Advisory Management Program offers you investment management services on the subaccount allocations within your VA or VUL products. Such management services may be offered by your Advisor using his/her own analysis and research methods, investment style and strategy, as well as ongoing management philosophy. In this Program, the Advisor uses various asset allocation tools to advise you with respect to subaccount allocations within your VA or VUL products.

When authorized by you, your Advisor may exercise discretion over your variable product subaccounts.

## **RISK OF LOSS**

***Risk of Loss.*** Securities investments (including investments in variable annuities) 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**

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

Management personnel of our firm, in their individual capacities, are agents for 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.

#### ***Selection of Third-Party Money Managers.***

As previously disclosed, we may recommend the services of various registered investment advisors to our clients. We do not receive any direct compensation for making these recommendations to our clients. However, some third-party money managers may from time to time sponsor due diligence, educational symposiums, advisor round tables, and networking events where Wisdom & Wealth Solution, LLC employees are invited to participate. Participation may include the third-party money manager sponsoring such events and may include the cost of our employees travel, lodging and attendance. Clients should be aware that participation in sponsored symposiums could be construed as the receipt of indirect compensation by our firm and/or employees. As such this creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Wisdom & Wealth Solutions, LLC 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 us or our employees to earn compensation from the referral of clients to other registered investment advisors;
- we conduct initial and periodic due diligence on the selected investment advisors to establish that the advisors are suitable to recommend to our clients; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

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

Wisdom & Wealth Solutions, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code. Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Wisdom & Wealth Solutions, LLC'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 [pmathis@wisdom-wealth.com](mailto:pmathis@wisdom-wealth.com), or by calling us at 919-787-9725.

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

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

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

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

Wisdom & Wealth Solutions, LLC does not have any formal soft-dollar arrangements and does not receive research from any broker-dealer for directing brokerage or client transactions.

Wisdom & Wealth Solutions, LLC does not accept any client referral from a broker-dealer in connection with the recommendation or selection of broker-dealers.

As our firm does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct Wisdom & Wealth Solutions, LLC as to the broker-dealer to be used.

Wisdom & Wealth Solutions, LLC requires that clients direct us to place trades through National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity"). Wisdom & Wealth Solutions, LLC has evaluated Fidelity and believes that it will provide our clients with a blend of execution services, commission costs and professionalism that will assist our firm to meet our fiduciary obligations to clients.

We reserve the right to decline acceptance of any client account for which the client directs the use of a broker other than Fidelity if we believe that this choice would hinder our fiduciary duty to the client and/or our ability to service the account. In directing the use of Fidelity, it should be understood that Wisdom & Wealth Solution, LLC will not have authority to negotiate commissions or to necessarily obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to the client and those charged to other clients (who may direct the use of another broker).

Clients should note, while Wisdom & Wealth Solutions, LLC has a reasonable belief that Fidelity is able to obtain best execution and competitive prices, our firm will not be independently seeking best execution price capability through other brokers. Not all advisors require clients to direct it to use a particular broker-dealer.

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, we may recommend the use of Fidelity, provided that such recommendation is consistent with our firm's fiduciary duty to the client. Our clients must evaluate the broker before opening an account. The factors considered by Wisdom & Wealth Solutions, LLC when making these recommendations are the broker's ability to provide professional services, our experience with the broker, the broker's reputation, the broker's quality of execution services and costs of such services, among other factors.

As a matter of policy and practice, Wisdom & Wealth Solutions, LLC 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.

Wisdom & Wealth Solutions, LLC has an arrangement with Fidelity through which Fidelity provides our firm with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist us in managing and administering 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 fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help our firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning,

contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Wisdom & Wealth Solutions, LLC may contract directly.

Wisdom & Wealth Solutions, LLC is independently operated and owned and is not affiliated with Fidelity.

All services and products received by Wisdom & Wealth from Fidelity are a result of clients maintaining their assets on Fidelity's Intuition Platform and not as a result of directing client trades or referring clients to Fidelity. 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 Wisdom & Wealth Solutions, LLC'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 Wisdom & Wealth Solutions, LLC 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.

### **Item 13    Review of Accounts**

#### **INVESTMENT SUPERVISORY SERVICES ("ISS") 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: Ryan G Peterson, President and/or John Ryan Heath, Sr. Vice President.

**REPORTS:** In addition to the quarterly statements and confirmations of transactions that clients receive from their custodian, we provide quarterly reports summarizing account performance, balances and holdings.

#### **401k/PROFIT SHARING CONSULTING SERVICES**

**REVIEWS:** Wisdom & Wealth Solutions, LLC 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.



Wisdom & Wealth Solutions, LLC 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: Ryan G Peterson, President, and/or Thomas Jacob Tolley, Financial Advisor.

**REPORTS:** These client accounts will receive reports as contracted for at the inception of the advisory relationship.

### **THIRD-PARTY MONEY MANAGERS**

**REVIEWS:** These client accounts should refer to the independent registered investment advisor's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment advisor. Wisdom & Wealth Solutions, LLC will provide reviews on quarterly basis.

These accounts are reviewed by: Ryan G Peterson, President and/or John Ryan Heath, Sr. Vice President.

**REPORTS:** These clients should refer to the independent registered investment advisor's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reports provided by that independent registered investment advisor.

Wisdom & Wealth Solutions, LLC will offer these client accounts with reports as contracted for at the inception of the advisory relationship.

### **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 for.

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

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

Wisdom & Wealth Solutions, LLC may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- (a) the Solicitor's name and relationship with our firm;
- (b) the fact that the Solicitor is being paid a referral fee;
- (c) the amount of the fee; and
- (d) whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

### ***OTHER COMPENSATION***

From time to time a Solicitor may pay for all or a portion certain expenses related to marketing of Wisdom & Wealth Solutions, LLC's services to potential clients as part of the solicitors arrangement. Such arrangement may include, but are not limited to, print and distribution of marketing/advertising and promotional materials and sponsorship of live seminars.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving indirect compensation such as sponsorship and expense reimbursement of marketing activities creates a potential conflict of interest. These arrangements have the potential to affect the judgment of our firm and certain individuals when recommending our services to potential clients who are referred through these programs. It is Wisdom & Wealth Solutions, LLC's policy to disclose all such conflicts to new and potential client prior to entering into an advisory agreement.

### **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 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.

Our firm does not have actual or constructive custody of client accounts.

### **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.

Wisdom & Wealth Solutions, LLC requires that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold in a client's account.

Clients give us discretionary investment 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 do not offer any consulting assistance regarding proxy issues to clients.

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

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Wisdom & Wealth Solutions, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.