

# CASTLE WEALTH MANAGEMENT

## Informational Brochure

*FORTIFY YOUR FAMILY'S FUTURE*



### Contact Information

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**This brochure provides information about the qualifications and business practices of Castle Wealth Management. If you have any questions about the contents of this brochure, please contact us at (561) 686-9604. 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 Castle Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## *Castle Wealth Management*

### Material Changes

We updated this brochure as part of our required annual update. There are no material changes from our last filing made March 2014. Our Regulatory Assets Under Management at 12/31/2014 are approximately 168,148,604 in Discretionary , and \$5,210,676 in non-discretionary.

Currently, our Brochure may be requested by contacting Christina Worley, CPA/PFS, CFP - Managing Member at (561) 686-9604 or by email at [cworley@castlewm.com](mailto:cworley@castlewm.com).

Additional information about Castle Wealth Management is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Castle Wealth Management who are registered, or are required to be registered, as investment adviser representatives of Castle Wealth Management.

*Castle Wealth Management*

## Table of Contents

Item 1 — Cover Page.....	i
Item 2 — Material Changes.....	ii
Item 3 — Table of Contents .....	iii
Item 4 — Advisory Business.....	4
Item 5 — Fees and Compensation.....	7
Item 6 — Performance-Based Fees and Side-By-Side Management.....	10
Item 7 — Types of Clients.....	10
Item 8 — Methods of Analysis, Investment Strategies and Risk of Loss....	10
Item 9 — Disciplinary Information.....	10
Item 10 — Other Financial Industry Activities and Affiliations.....	10
Item 11 — Code of Ethics.....	12
Item 12 — Brokerage Practices.....	14
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.....	23
Brochure Supplement(s)- The Team.....	23

*Castle Wealth*Item 4 — Advisory BusinessBackground Information

Castle Wealth Management provides customized wealth management and financial planning services to high net worth families, individuals, businesses, trusts, and charitable entities. Our firm was incorporated on October 9, 1997 as P.F.S. Advisors, L.C. D/B/A Castle Wealth Management (hereinafter CWM) and is overseen by its Managing Member, Christina Worley CPA/PFS, CFP, John Manuel, CFA and Sr. Portfolio Manager, as well as Gary Sellari, CPA/PFS, Investment Committee Member, and equity member of the firm.

How We Earn Your Trust

Our continued success is a direct result of the relationships we build with our clients. We are devoted to helping our clients achieve financial success. We reinforce our commitment by providing personalized service, coupled with current financial knowledge to address your individual needs and circumstances. Furthermore, it is our policy to respond to all client correspondence in a prompt manner. Our team places a premium on client interaction. We are able to focus our attention on the client because we have made a conscious decision to have fewer families per advisor. Our clients know they can rely on us for all of their investment needs, large or small, business or personal.

Our Process

CWM provides Investment Supervisory Services, defined as giving continuous advice to a client or making investments on behalf of individual needs. Through careful discussion of goals and objectives based on client's needs, CWM develops a financial plan unique to each individual. Once a specialized Investment Policy Statement (IPS) is established, a portfolio is then generated to reflect the mutually agreed upon asset allocation contained in the IPS.

Each account managed by CWM is on a discretionary and/or non-discretionary basis as outlined in the each households IPS. Account supervision and monitoring is guided by the stated objectives contained in the IPS.

Portfolios managed by CWM may consist of one or all of the following individual equities, bonds, variable annuities, mutual funds, exchange-traded funds, CDs, and REITs. Variable annuities and mutual funds will be selected on the basis of any or all of the following: the fund's performance history; the industry sector; the track record of the fund manager; investment objectives; and the overall management philosophy and fee structure.

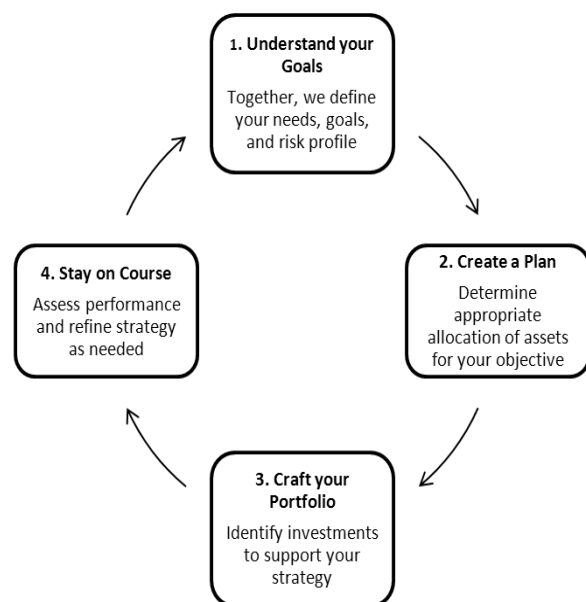
Portfolio weighting between funds and market sectors will be determined by each client's IPS. Depending upon the risk tolerance and needs of the client, CWM may recommend the use of options (i.e. covered calls or protective puts). Clients will have the opportunity to place reasonable investment restrictions at any time based on risk tolerance. Individual ownership of

### Item 4 — Advisory Business

assets remains with the client at all times, with brokerage accounts normally custodied at Charles Schwab & Co., TD Ameritrade, I-Shares(529-plans), and one account custodied at SEI, at the clients request.

Castle Wealth Management is a Registered Investment Advisor which holds us to a Fiduciary Standard of care, meaning we place our clients' interests before our own, in contrast to general brokers' standards. In the below process, each client is led on a path toward long-term financial success:

The personalized attention each client receives combined with a strong client -advisor relationship is what helps build the foundation to our success. Our goal with each client is to meet their long-term financial objectives through a



multi-disciplinary approach. With principles of safety and soundness at the heart of every client relationship, Castle Wealth Management is able to continue leading its clients to a path of long term financial success.

#### What's Right for You?

Once the financial review is complete and a financial plan agreed upon, we will work diligently to design an individualized asset allocation.

(Cont'd on Page 6)

### Item 4 — Advisory Business

Our planning considers all client holdings, even those we may not manage directly. Our assets under management on a discretionary basis as of 12/31/2014 were \$168,148,604, and \$5,210,676 on a non-discretionary basis. Our transactional flexibility provides product diversity, as well as offering Separate Account Managers (SMAs) that we monitor before approving. Here's what you can expect from us:

- Holistic Financial Planning
- Disciplined Portfolio Management
- Multigenerational Wealth Transfers
- Retirement & Estate Planning
- Insurance Reviews
- Asset Protection Planning
- Education Planning

#### Your Personalized Plan

For each client, Castle Wealth Management will produce a written individual Investment Policy Statement (IPS) reflecting an agreed upon asset allocation. Once the agreement is signed, we start investing on your behalf. We meet with you to provide a forum to discuss life changes that may have an effect on your financial plan, and to determine if any financial changes or adjustments are necessary. We also touch base with you to discuss the impact of current economic conditions on your portfolio. Ongoing portfolio reviews are conducted by our Investment Committee (IC). Adjustments may be made quarterly to ensure adherence to your asset allocation. We do not charge any additional fees for providing a financial plan to clients with over \$500,000 in assets under management that are investment advisory clients.

#### Our Mission

We strive to help you achieve success by providing personalized attention and a commitment to service that addresses not only today's needs but tomorrow's plans. Our dedication to helping you achieve your financial goals means we place a premium on timeliness, thoroughness and accuracy.

#### Our Goal

We provide personalized service, coupled with current financial knowledge to address your individual needs and circumstances. We guide you on a successful path toward meeting your financial goals by utilizing our well documented plans, which are designed to focus on the big picture, not short-term market variations.

#### Why Clients Choose Us

- Objective Advice
- Investment Diversity
- Transparent Reporting (performance, fees)
- Tax Efficient Portfolio Management
- Multi-disciplined Team

## Item 5 - Fees and Compensation

As a result of a fee-based cost structure, CWM is able to provide objective advice and personalized recommendations unique to each individual.

The annual fee for portfolio management will be charged as a percentage of assets under management, according to the sliding marginal rate schedule below:

<u>Assets under management</u>	<u>Annual Fee (%)</u>
\$0 - \$1,000,000	1%
\$1,000,001-\$2,000,000	.75%
\$2,000,001-\$3,000,000	.50%
\$3,000,001-\$5,000,000	.40%
Over \$5,000,001	.30%

A minimum of \$500,000 in assets under management is required for this service. CWM may aggregate related accounts (households) in order to meet this minimum asset management requirement.

For 529 Accounts custodied at I-shares we charge a flat .40% (unless above sliding fee is less). The I-shares platform itself charges .35%, and the ETF's selected expenses can be looked up online. When we set our rate we were trying to set our fee so that on average the total of all the expenses to an I-Share 529 would be approximately, on average, 1% .

The fee we charge for selecting and managing separate account managers is a flat .25%, which is in addition to what the separate accounts managers charge the client directly.

Accounts that are custodied at Schwab or TD Ameritrade that are only cash or money market funds are charged a flat .25% by CWM. Since money market interest rates are so low currently, our fees could be more than the interest earned. We suggest clients do not keep cash only accounts for us to manage because of this, or to only keep minimum balances, if they wish them for convenience.

The fee charged is calculated as described above and not charged on the basis of a share of capital gains or capital appreciation on any portion of the client's funds (SEC Rule 205(a)(1))

Clients will be billed in arrears at the end of each month based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), respectively. Fees are directly debited on a monthly basis from client accounts, 1/12 of the annual fee.

### Negotiability of Fees

In certain circumstances, all fees and account minimums may be negotiable.

## Item 5 - Fees and Compensation

A client agreement may be canceled at any time, by either party, for any reason. It is CWM policy to give 30 days written notice when terminating a client. Upon termination of any account, prepaid and/or unearned fees will be promptly refunded while any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

All investment advisory fees paid to CWM are separate and distinct from costs incurred by mutual funds and exchange-traded funds to their shareholders. These expenses are described in each fund's prospectus and will usually consist of a management fee, other fund expenses, and possibly a distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

Clients have the option of investing in a mutual fund directly, without the services of CWM. In that case, CWM would not facilitate the transaction and assist the client in determining the most appropriate mutual fund(s) based upon the unique financial situation of the individual. Accordingly, the client should review both the fees charged by the mutual funds and those of CWM to fully understand the total cost to be paid and the advisory services being provided.

### \* Portfolio Management

CWM does not have the discretion to choose a particular broker/dealer. Rather, the client must direct CWM as to the broker/dealer to be used in servicing that client account.

Any broker/dealer relationship which would adversely affect the servicing of the client may be denied by CWM.

CWM participates in the Schwab Institutional (SI) services program offered to independent investment advisors by Charles Schwab & Company, Inc. (hereinafter "Schwab"), an unaffiliated NASD registered broker dealer. As part of Schwab, CWM receives benefits it would not otherwise if investment advice was not offered. (See "Other Financial Industry Activities and Affiliations" for further information).

Clients in need of brokerage and custodial services will have Schwab, TD Ameritrade, or I-shares recommended to them, for the client to choose from.

### \* Money Manager Search and Monitoring

CWM may perform management searches of various independent registered Investment advisers on behalf of a client only when CWM's own management services are not appropriate based on the client's risk tolerance and overall financial objectives. There is no obligation on behalf of the client to use any product or service offered by any independent registered investment adviser recommended by CWM. If CWM believes a particular independent adviser is performing inadequately, CWM may suggest the client contract with a

**Item 5 - Money Manager Search and Monitoring**

Under this scenario, CWM will assist the client in selecting a new adviser and then monitor that adviser's performance. The move to any new manager is solely at the discretion of the client. CWM charges 25 basis points on top of whatever fee the selected money manager charges for its selection and monitoring service. This fee is in place of our graduated portfolio fee, not in addition to it.

\* Consulting Service

Clients may also receive investment advice on a more limited basis. This may include advice on only isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. CWM also provides consultation and administrative services regarding investment and financial concerns of the client.

We will provide Portfolio Accounting Services at a monthly fee. The minimum fee for this type service is \$1,000 per month. This service is designed for High Net Worth clients who desire our reporting on their asset aggregation and allocation, as well as tracking cost basis and liquidity, and may include manual input of non publicly traded investments. These are services for clients for which we do not provide discretionary management of accounts.

All consulting recommendations made are not of a particular product or service offered by a broker dealer or insurance company; rather, they are generic in nature. If a client wants us to help them execute a need for an insurance product, we utilize their preferred insurance agent. When the clients have none, we usually quote more than one, and include an online no load or low load provider.

We have turned down consulting engagements that are too small, and we prefer to give these services to only our existing clients, for which we charge no additional fees. We may stop providing these services on an hourly basis at any time.

Consulting fees will be charged in one or both of two ways:

1. As a fixed fee, typically ranging from \$500 to \$10,000, depending upon the nature and complexity of each client's circumstances along with the mutual agreement of the client. Half of this fee may be due upon the inception of the advisory relationship, with the balance remaining due upon completion of the consulting service. Portfolio Accounting fees are due and payable on a monthly basis. We charge a fixed monthly fee for our portfolio accounting services.
2. On an hourly basis, ranging from \$90 to \$250 per hour, depending on the nature and complexity of each client's circumstances as well as mutual agreement of the client. An estimate for total hours will be determined upon the start of the advisory relationship, with 50% of the related fee due upon inception of services. Any remaining balance (based on actual hours) would be paid upon completion of the consulting service.

(Cont'd on Page 10)

**Item 5 - Fees and Compensation**

CWM will not hold client funds greater than \$500 for more than six months in advance of completing the consulting service.

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

Castle Wealth Management does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

**Item 7 - Types of Clients**

CWM provides financial planning services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations.

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

Our success is a direct result of the relationships we build with our clients. Our goal is to provide personalized service with current financial knowledge to address clients' individual overall needs and financial goals.

Once an in-depth financial review of the client is completed, CWM develops individualized asset allocation. We use a software application that utilizes modern portfolio theory to assist us. Often times, any account holdings not managed directly by the firm will be taken into consideration in order to maximize returns and minimize potential tax implications.

Asset allocation among clients' portfolios is well diversified in order to reduce the inherent market risk of equity backed securities. CWM will create a portfolio based on the individualized IPS created during the initial phase of financial planning. Clients reserve the right to place reasonable restrictions on the types of investments used during this process based on risk tolerance. Individual ownership of assets will be retained by the client at all times.

**Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Castle Wealth Management or the integrity of the firm. Castle Wealth Management has no information applicable to this Item.

**Item 10 - Other Financial Industry Activities and Affiliations****Our Relationship with Charles Schwab**

We utilize Charles Schwab & Company, Inc. to safeguard clients' assets for many reasons:

- Protect Clients' Assets
- Online Access to Account(s)
- Paper or Electronic Monthly Statements and Trade Confirmations
- Synchronizes with Software Applications

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

CWM is a participant of Schwab Institutional (SI) service programs. While there is no direct linkage between investment advice given and participation in the SI programs, economic benefits are received which would otherwise not be extended if financial planning services were not rendered.

Benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI programs exclusively; ability to have investment advisory fees deducted directly from client account; optional fee based access to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher initial minimum investments or are generally available only to institutional investors. Overall benefits received through participation of the SI programs may depend upon the amount of transactions directed to, or assets under the custody of Charles Schwab & Co, Inc.

At times, CWM may recommend clients establish brokerage accounts with the SI division of Charles Schwab & Co, Inc. (Schwab) to maintain custody of clients' assets and to effect trades for their accounts. Schwab is a registered broker-dealer and SIPC member. CWM is independently owned and operated from Schwab with no affiliations. Schwab provides Castle Wealth Management access to its institutional trading and custody services which are typically not available to Schwab retail investors. These services are generally made available to independent investment advisors on an unsolicited basis. There is no charge so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional. There is no other requirement set by Schwab regarding the commitment of business (assets in custody or trading) in the delivery of services.

For CWM's clients' accounts maintained in Schwab's custody, there is generally no separate charge involved. Rather, Charles Schwab & Co is compensated by account holders through commissions or other transaction-related fees for security trades executed through the company or settlement of its accounts.

Schwab also makes available to CWM other services intended to help CWM manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to CWM by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or part of any related third party fees.

CWM is a Registered Investment Adviser which reflects our dedication to helping clients achieve financial success. Our affiliation with Charles Schwab

(Cont'd on Page 12)

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

enhances this relationship; since it is partly based on the benefits described above and not solely dependent upon cost or quality of custody and brokerage services offered by Schwab, it may create a potential conflict of interest.

**Divine Blalock Martin and Sellari, LLC, Public Accounting Firm**

CWM's highly customized, integrated approach to wealth management includes working closely with the Accounting Firm "Divine Blalock Martin and Sellari, LLC" (DBMS). Our Investment Committee Member, Gary Sellari, CPA is the Tax matters Partner of DBMS, and Mr. Sellari is an equity member of both Firms. Mr. Sellari is a full time employee of DBMS, joining us weekly for our 2 hour investment committee meeting. As a result, the firm may recommend advisory clients in need of accounting services to DBMS and vice versa. The DBMS website is DBMSCPA.COM.

Each company is owned and operated independently from the other. As a result, there is never any obligation on behalf of the client to use one or both companies at the same time. When DBMS refers clients to CWM, 5-10% of the fee CWM receives is paid to the referring DBMS employee. This does in no way increase the fees the client is charged. Castle Wealth Management is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940. As such, all applicable Federal and/or State laws will be observed and appropriate disclosures made.

**Other Professional Section 206(4)-3 referral sources.** We have made arrangements with other professional referral sources to pay them a 10% referral fee. This in no way increases the fees the client is charged. All applicable Federal and or State laws will be observed, and appropriate disclosures will be made. We are not currently making any referral payments to non-DBMS personal, but we expect we may start doing so in 2015. Professional referral sources are expected to include Lawyers, Accountants, and other Professionals.

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

Castle Wealth Management has adopted a Code of Ethics and Professional Responsibility for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics and Professional Responsibility includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Castle Wealth Management must acknowledge the terms of the Code of Ethics and Professional Responsibility. Our code is the CFP Boards Code of Ethics and Professional Responsibility.

Castle Wealth Management anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over

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

Subject to satisfying this policy and applicable laws, officers, directors and employees of Castle Wealth Management and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Castle Wealth Management clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Castle Wealth Management 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. Under the Code, CWM or individuals associated with CWM may buy or sell securities identical to those recommended to customers for their personal accounts. 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 CWM that no person employed by CWM may purchase or sell any equity security (excluding open-ended mutual funds) for a period of 24 hours prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefitting from transactions placed on behalf of advisory accounts. It is a general firm policy that equity trades by firm employees should be prescreened by the compliance officer.

As these situations present a conflict of interest, CWM has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A member, manager, or employee of CWM shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of CWM shall prefer his or her own interest to that of the advisory client. CWM employees may take participation in block trades of large bond positions, normally as an aid to the firm in reaching a round lot for these purchases.
2. CWM maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed and approved on a quarterly basis by the Investment Committee (IC).
3. CWM emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where CWM is granted discretionary authority of the client's account. Usually clients' written wishes are honored.
4. CWM requires all individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory Practices.

(Cont'd on Page 14)

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

5. Any individual not in observance of the above may be subject to termination.

Castle Wealth Management's clients or prospective clients may request a copy of the firm's Code of Ethics and Professional Responsibility by contacting Christina Worley, CPA/PFS, CFP - Managing Member. Starting in 2013, we utilize Schwab Compliance Technologies services to document our internal trading policies and procedures compliance.

Item 12 - Brokerage PracticesThe Custodian and Brokers We Use

Castle Wealth Management does not maintain custody of your assets, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see "Custody" on Pg. 15). Your assets must be maintained in an account at a "qualified custodian", generally a broker-dealer or bank. We recommend our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian, TD Ameritrade, or iShares for 529 plan accounts. We are independently owned and operated and are not affiliated with any of these institutions. These custodians will hold your assets in a brokerage account and buy and sell securities when (we/you) instruct them to. While we recommend that you use either of these three firms as custodian/broker, you will decide whether to do so and will open your account with them by entering into an account agreement directly with them. CWM will assist in the new account opening process. We do not require clients to use a particular broker-dealer or other custodian selected by Castle Wealth Management. Even though your account is maintained at these 3 firms, we can still use other brokers to execute trades for your account as described below (see "Your Brokerage and Custody Costs" on Pg. 17).

How We Select Brokers/Custodians

While CWM does not have the express authority to choose a particular broker/dealer on behalf of the client, our firm recommends using a custodian/broker who will hold your assets and execute transactions on terms that are, overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts

Brokerage Practices

- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “*Products and Services Available to Us From Schwab*”)

Your Brokerage and Custody Costs

For our clients’ accounts that Schwab or TD Ameritrade maintains, they generally do not charge you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your account. For some accounts, they may charge you a percentage of the dollar amount of assets in the account in lieu of commissions.

The commission rates and asset-based fees applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates and asset-based fees you pay are lower than they would be otherwise. In addition to commissions and asset-based fees, Schwab charges you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “*How We Select Brokers/Custodians*”).

Products and Services Available to Us From Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us.

Item 12 - Brokerage Practices

They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients’ accounts, while others help us manage and grow our business. Schwab’s support services generally are available on an unsolicited basis (we don’t have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab.

Services That Benefit You

Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab’s services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients’ accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us

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

- Educational conferences and events

(Cont’d on Page 17)



Item 12 - Brokerage Practices

- Consulting on technology, compliance, legal and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel, or discounts on the costs of some of our application programs, like the Portfolio Center Program.

Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us. We have over \$100 million in client assets under management, and we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

Money Manager Search and Monitoring

CWM may perform management searches of various independent registered Investment advisers on behalf of a client. Based on a client's individual circumstances and needs, CWM will determine which independent adviser's portfolio management style is appropriate for that client.

Clients should refer to the disclosure document of the independent registered investment adviser for information on the brokerage recommendations and policies of that independent registered investment adviser. CWM will not recommend a particular broker/dealer; ultimately, this decision rests with the client.

Item 12 - Brokerage PracticesConsulting Service

Clients will be required to select their own broker/dealers and insurance companies for the implementation of Financial Planning/Consulting Recommendations. CWM may recommend any one of several brokers.

CWM clients must independently evaluate these brokers before opening an Account. The factors considered by CWM when making this recommendation are the broker's ability to provide professional services, CWM's experience with the Broker, the broker's reputation, and the broker's financial strength, among other factors. CWM's financial Planning/Consulting clients may use any broker or dealer of their choice.

Additional Compensation

CWM receives additional compensation in providing broker/dealer referral services at an ongoing rate of .25% of referred assets under management.

CWM is aware of the special considerations promulgated under Section 206 (4)-3 of the Investment Advisers Act of 1940. As such, appropriate disclosures shall be made and all applicable Federal and State laws will be observed.

In addition, Schwab Institutional makes available to CWM many products and services that may not directly benefit clients' accounts. This includes software and technology enhancements, as well as facilitation in the servicing of affiliated accounts.

While CWM endeavors to always act in the best interest of the client, the firm's participation in SI programs is not solely based on cost or quality of custody which may inadvertently create a potential source of conflict.

Directed Brokerage

Due to the benefits received through participation in the SI programs, it is favorable for the client to execute transactions through their CWM Portfolio Manager. Participation in Schwab programs affords clients the opportunity to receive benefits which would not otherwise be received if CWM did not offer investment advice.

Mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors are made available to the client. In addition, clients may pay higher brokerage commissions since orders are not able to be aggregated to reduce transaction costs. Finally, although benefits received through participation in the SI programs may depend upon the amount of transactions directed to, or amount of assets custodied by Charles Schwab & Co, the client still receives advantageous trading execution tools it normally would not have access to if acting independently of CWM.

(Cont'd on Page 19)

**Item 12 - Brokerage Practices**

While the purchase and/or sale of securities for client accounts is not aggregated, there may be times CWM deems it necessary to enter into “block trades.” When placing orders of more than 100,000 shares per equity, it is in the best interest of CWM to sell and/or buy equities in large quantities at a set rate. This promotes stable pricing of assets being traded in large quantities in order to continue providing sound management of all portfolios.

Each client account is still managed separately in order to maintain the overall financial objective of each individual IPS. CWM always acts in the best interest of the client; aggregating client orders may pose adverse effects in daily management of client accounts.

**Item 13 - Review of Accounts**

While the underlying securities within CWM’s Portfolio Management client accounts are monitored, these accounts will be formally reviewed at least quarterly by Christina Worley, Managing Member of CWM. 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. Client portfolios and rebalancing’s are reviewed by the investment committee annually for the smallest accounts, to quarterly for our largest accounts.

The purpose of the Investment Committee is to review client accounts and approve the Recommended Funds list.

Clients are currently reviewed based on the following schedule:

<u>Annualized Fees</u>	<u>Reviewed</u>
>\$20,000	4 times annually (Platinum)
\$12,500><\$20,000	3 times annually (Gold)
\$5,000><\$12,500	2 times annually (Silver)
<\$5,000	1 time annually (Bronze)

**Regular Reports Provided to Clients****\* Portfolio Management**

In addition to the monthly statements and confirmations of transactions Portfolio Management clients receive from their broker dealer, CWM will provide quarterly reports to clients consisting of internal rates of return (time-weighted from inception, year to date, and previous quarter), positions, balances, additions/withdrawals, real and unrealized gains and losses, cost-basis information, and interest/dividend information.

**\* Money Manager Search and Monitoring**

These client accounts will receive reports by CWM, as contracted for upon inception of the client relationship.

**\* Consulting Service**

Consulting clients receive reports as agreed upon at the inception of the advisory relationship.

**Item 13 - Review of Accounts****Item 14 - Client Referrals and Other Compensation**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent Investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 - Brokerage Practices*). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Castle Wealth Management works closely with DBMS in the fully integrated management approach to all portfolios. As such, in the event a DBMS employee refers clients to CWM, 5-10% of the fee CWM receives is paid to the referring employee. Castle Wealth Management is aware of the promulgations set forth under Section 206(4)-3 of the Investment Advisers Act of 1940. All applicable Federal and/or State laws will be closely observed and appropriate disclosures made. CWM may also pay other Professionals that are fully trained in Section 206(4)-3 referral fees of 10%, starting in 2015.

**Item 15 - Custody**

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab or TD Ameritrade to deduct our advisory fees directly from your account (or if you grant us authority to move your money to another person’s account). We use 5 qualified custodians, Charles Schwab & Co, TD Ameritrade, iShares 529 Plans, and SEI and Equity Institutional could maintain actual custody of your assets. Client funds and/or securities are held by “qualified custodians” as defined in the amended Rule 206(4)-2 of the Investment Advisers Act of 1940. As such, CWM does not provide clients with an audited balance sheet as a supplement to this disclosure brochure.

For client accounts that our employees or associated persons are Trustees of, we do have custody. We are required to have an annual surprise audit by an unaffiliated CPA of these accounts. Our 2014 surprise audit results are on file with the SEC. The accounts we, or our related parties are Trustee of, are charged no additional Trustee fees, but they do share pro-rata in the cost of the Custody audit, required for SEC compliance. Last year this fee was less than \$400 per Trust account that our employees or related parties were Trustee for.

Clients will receive account statements directly from their custodian at least quarterly. They will be sent to the email or postal mailing address provided to the custodian. Clients should carefully review those statements promptly when they receive them. We also urge clients to compare their custodians’ account statements to the periodic portfolio reports they receive from us.

CWM will take steps to ensure advisory clients received account reports and/or statements directly from the qualified custodians holding client funds and/or securities.

**Item 16 - Investment Discretion**

Castle Wealth Management usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

Investment guidelines and restrictions must be provided to Castle Wealth Management in writing.

**Item 17 - Voting Client Securities**

Castle Wealth Management recognizes and adheres to the principle that one of the privileges of owning stock in a company is the right to vote on issues submitted to shareholder voting—such as election of directors and important matters affecting a company's structure and operations. Where the power to vote in person or by proxy has been delegated, directly or indirectly, to the investment advisor, the investment advisor has the fiduciary responsibility for (a) voting in a manner that is in the best interests of the client, and (b) properly dealing with potential conflicts of interest arising from proxy proposals being voted upon.

The policies and procedures of Castle Wealth Management ("the Advisor") for voting proxies received for accounts managed by the Advisor are set forth below and are applicable if:

- The underlying advisory agreement entered into with the client expressly provides that the Advisor shall be responsible to vote proxies received in connection with the client's account; or
- The underlying advisory agreement entered into with the client is silent as to whether or not the Advisor shall be responsible to vote proxies received in connection with the client's account and the Advisor has discretionary authority over investment decisions for the client's account (except in the case of Separate Account Managers); or
- In case of an employee benefit plan, the client (or any plan trustee or other fiduciary) has not reserved the power to vote proxies in either the underlying advisory agreement entered into with the client or in the client's plan documents.

These Proxy Voting Policies and Procedures are designed to ensure that proxies are voted in an appropriate manner and should complement the Advisor's investment policies and procedures regarding its general responsibility to monitor the performance and/or corporate events of companies which are issuers of securities held in managed accounts. Any questions about these policies and procedures should be directed to Christina Worley.

(Cont'd on Page 22)

**Item 17 - Voting Client Securities**

Consistent with SEC Rule 206(4)-6, as amended, the Adviser shall take reasonable measures to inform its clients of (1) its proxy voting policies and procedures, and (2) the process or procedures clients must follow to obtain information regarding how the Adviser voted with respect to assets held in their accounts. This information may be provided to clients through the Adviser's Form ADV (Part II or Schedule H) disclosure or by separate notice to the client (or in the case of an employee benefit plan, the plan's trustee or other fiduciaries)

Christina Worley (the "Responsible Party") shall be designated by the Advisor to make discretionary investment decisions on behalf of the client and will be responsible for approving the voted proxies related to that client's account. The Responsible Party shall assume power to vote all proxies related to a client's account if any one of the three circumstances set forth earlier regarding proxy voting powers is applicable. The Responsible Party, may utilize an outside Proxy voting service to assist and support this service. Currently we utilize Broadridge Proxy voting service to assist us in this work.

Prior to approving a vote, the Responsible Party will verify whether voting power is subject to any limitations or guidelines issued by the client (or in the case of an employee benefit plan, the plan's trustee or other fiduciaries).

If an actual or potential conflict is found to exist, written notification of the conflict (the "Conflict Notice") shall be given to the client or the client's designee (or in the case of an employee benefit plan, the plan's trustee or other fiduciary) in sufficient detail and with sufficient time to reasonably inform the client (or in the case of an employee benefit plan, the plan's trustee or other fiduciary) of the actual or potential conflict involved.

The Conflict Notice will either request the client's consent to the Advisor's vote recommendation or may request the client to vote the proxy directly or through another designee of the client. The Conflict Notice and consent thereto may be sent or received, as the case may be, by mail, fax, electronic transmission or any other reliable form of communication that may be recalled, retrieved, produced, or printed in accordance with the recordkeeping policies and procedures of the Advisor. If the client (or in the case of an employee benefit plan, the plan's trustee or other fiduciary) is unreachable or has not affirmatively responded before the response deadline for the matter being voted upon, the Advisor may:

- Engage a Non-Interested Party to independently review the Advisor's vote recommendation if the vote recommendation would fall in favor of the Advisor's interest (or any affiliate of the Advisor) to confirm that the Advisor's vote recommendation is in the best interest of the client under the circumstances;

(Cont'd on Page 23)

Item 17 - Voting Client Securities

- Cast its vote as recommended if the vote recommendation would fall against the Advisor's interest (or that of any affiliate of the Advisor) and such vote recommendation is in the best interest of the client under the circumstances; or
- Abstain from voting if such action is determined by the Advisor to be in the best interest of the client under the circumstances

The Responsible Party will promptly vote proxies received in a manner consistent with the Proxy Voting Policies and Procedures stated above and guidelines (if any) issued by client (or in the case of an employee benefit plan, the plan's trustee or other fiduciaries if such guidelines are consistent with ERISA).

The Advisor shall keep certain records required by applicable law in connection with its proxy voting activities for clients and shall provide proxy-voting information to clients upon their written or oral request.

Clients may obtain a copy of Castle Wealth Management's complete proxy voting policies and procedures upon request. Clients may also obtain information from Castle Wealth Management about how CWM voted any proxies on behalf of their account(s).

Item 18 - Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Castle Wealth Management's financial condition. CWM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. Since CWM does not collect fees in advance of 6 months or \$1,200, audited financial statements are not required at this time.

Brochure SupplementsThe Team

*Christina Worley, CPA/PFS, CFP  
Managing Member*

Christina Worley is the Managing Member of Castle Wealth Management, a Registered Investment Advisory firm founded in 1997. Under Mrs. Worley's guidance, Castle Wealth Management has grown to become an established provider of wealth management services. Mrs. Worley holds a Bachelors of Economics from the Wharton School of the University of Pennsylvania. She graduated in 1982, at the age of 19.

The Team

Her affiliations include the CFA Society of South Florida, AICPA, FICPA, FPA, Forum Club, Toastmasters, EWPB, PBIRG and the Wharton Club of South Florida. She serves her community as a Gubernatorial Appointee and former Chair to the Board of the Palm Beach County Early Learning Coalition, and also serves on the PBC Early Childhood Cabinet. She provides pro-bono Financial Planning Services to returning veterans through an FPA program. She is a level 3 candidate for the CFA exam. She has been married over 29 years, and has three sons.

Accreditations- CPA—Certified Public Accountant

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensures as a CPA generally include a minimum of a college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the CPA examination.

In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, CPAs are required to follow a rigorous Code of Conduct which requires they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the American Institute of Certified Public Accountants (AICPA) *Code of Professional Conduct* within their state accountancy laws or have created their own.

PFS—Personal Financial Specialist

The PFS credential demonstrates an individual has met the minimum education, experience, and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 80 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's Code of Professional Conduct, and is encouraged to follow AICPA's Statement on Responsibilities in Financial Planning Practice.

CFP—Certified Financial Planner

The CFP designation is administered and regulated by the Certified Financial Planner Board of Standards, Inc. Financial planners who wish to obtain a CFP designation must meet several requirements mandated by the CFP

(Cont'd on Page 25)

## The Team

board, including minimum education and experience requirements in the areas of financial planning, insurance and investment planning, and retirement and estate planning, which could take up to three years. CFP candidates must also pass a written examination and background check.

Once a planner has obtained the CFP designation, they must complete continuing education requirements so long as they wish to continue to be a CFP. A CFP designation is not required by law for an individual who wants to practice financial planning, but rather is intended to identify for consumers experienced and knowledgeable professionals.

*John J. Manuel, CFA, Principal, Sr. Portfolio Manager*

John Manuel joined Castle Wealth Management as a Senior Portfolio Manager in 2008 and has since moved into the position of Principal. Mr. Manuel comes to us from UBS Financial Services where he worked as a Financial Advisor. Previously, John worked at Wachovia/Evergreen Investments in Philadelphia, Pennsylvania as a Portfolio Manager for five years. In that position, he managed approximately \$250 million in investments for high net worth individuals and trusts.

John has an MBA in finance from the Alfred Lerner College of Business and Economics at the University of Delaware. John is a member of the CFA Institute and the CFA Society of South Florida. He moved to Florida in 2004 and lives in Palm Beach Gardens. John is married with two daughters, and enjoys golf.

### Accreditations CFA—Chartered Financial Analyst

The CFA accreditation is a professional designation administered through the CFA Institute to investment professionals. This designation is geared toward asset valuation and portfolio management, but the range of topics covered in the self-study curriculum also includes ethical and professional standards, financial theory, probability and statistics, microeconomics and macroeconomics, accounting and financial statement analysis, corporate finance, debt valuation, derivative analysis, and alternative investments. The CFA candidate must pass three exams, most commonly by taking one per year for three years. In addition to setting the CFA curriculum and administering the CFA exam, the CFA Institute also publishes voluntary performance reporting standards for the investment industry.

The CFA Institute standards have practical importance because many institutional investors, such as corporate pension funds, require their asset managers to report performance in compliance with the standards. Until 2004, the CFA Institute was known as the Association for Investment Management and Research, or AIMR.

## The Team

*Joshua S. Davis, CFP  
Financial Planner*

Joshua Davis joined Castle Wealth Management in 2011. Mr. Davis has a B.S. in Finance from Azusa Pacific University and an MBA from the Hough Graduate School of Business at the University of Florida. He earned his Certified Financial Planner designation through the CFP board. Some of his current job responsibilities include preparing financial plans for clients, conducting investment research for the firm's investment committee, managing client accounts, and providing client account maintenance. Josh's prior experience includes Wells Fargo Advisors and Scottrade Financial Services. Josh enjoys spending his free time with his family. He moved to Florida in 2010 and lives in Wellington with his wife and daughter.

### CFP—Certified Financial Planner

The CFP designation is administered and regulated by the Certified Financial Planner Board of Standards, Inc. Financial planners who wish to obtain a CFP designation must meet several requirements mandated by the CFP board, including minimum education and experience requirements in the areas of financial planning, insurance and investment planning, and retirement and estate planning, which could take up to three years. CFP candidates must also pass a written examination and background check.

Once a planner has obtained the CFP designation, they must complete continuing education requirements so long as they wish to continue to be a CFP. A CFP designation is not required by law for an individual who wants to practice financial planning, but rather is intended to identify for consumers experienced and knowledgeable professionals.

### Castle Wealth Management

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