

**Item 1 – Cover Page**

Arnett Carbis Toothman Wealth Advisors LLC

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March 9, 2015

This Brochure provides information about the qualifications and business practices of Arnett Carbis Toothman Wealth Advisors (“ACT Wealth Advisors”). If you have any questions about the contents of this Brochure, please contact us at (304) 206-3338. 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.

ACT Wealth Advisors is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information from which you may determine to hire or retain an Adviser.

Additional information about ACT Wealth Advisors 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. The CRD number for ACT Wealth Advisors is 119092.

## Item 2 – Material Changes

This Item of the Brochure will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes.

Our current brochure contains the following material changes:

- We have changed our Firm name to Arnett Carbis Toothman Wealth Advisors LLC (“ACT Wealth Advisors”).
- Our affiliated accounting firm, Arnett Foster Toothman PLLC merged with Carbis Walker, LLP effective January 1, 2015. The new Firm is now named Arnett Carbis Toothman LLP. The clients of Opis Asset Management, LLC, the asset management firm affiliated with Carbis Walker, LLP are now clients of ACT Wealth Advisors. Personnel from Opis Asset Management, LLC are now affiliated with ACT Wealth Advisors and ACT Wealth Advisors now has an office in Pennsylvania.
- Items 12 and 14 were amended to include TD Ameritrade Institutional and Schwab Advisor Services brokerage service programs.
- ACT Wealth Advisors does not maintain any client trade error gains. ACT Wealth Advisors makes client whole with respect to any trade error losses incurred by client caused by ACT Wealth Advisors.

(Brochure Date: 3/9/2015)

(Date of Most Recent Annual Updating Amendment: 3/9/2015)

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting ACT Wealth Advisors’ President & Chief Compliance Officer Cindy S. McGhee at (304) 206-3338.

Additional information about ACT Wealth Advisors 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 ACT Wealth Advisors who are registered, or are required to be registered, as investment adviser representatives of ACT Wealth Advisors.

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## **Item 4 – Advisory Business**

ACT Wealth Advisors is owned by A&F Financial Holdings LLC. ACT Wealth Advisors has been providing advisory services since 2002.

As of January 31, 2015, ACT Wealth Advisors managed \$279,790,202 on a discretionary basis, \$0 on a nondiscretionary basis and \$29,918,857 of self-directed retirement account assets.

### **Investment Management Services:**

ACT Wealth Advisors manages investment portfolios for individuals, including high net worth individuals, trusts, foundations, non-profits, small businesses, Individual Retirement and SEP accounts, defined contribution retirement plans and defined benefit plans. ACT Wealth Advisors works with the client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. ACT Wealth Advisors uses investment and portfolio allocation software to evaluate alternative portfolio designs. ACT Wealth Advisors may evaluate the client's existing investments with respect to the client's investment objectives. ACT Wealth Advisors works with new clients to develop a plan of transition for moving from the client's existing portfolio to the portfolio recommended by ACT Wealth Advisors. ACT Wealth Advisors monitors the client's portfolio holdings and the overall asset allocation strategy and holds periodic review meetings with the client regarding the account as necessary.

ACT Wealth Advisors typically creates a portfolio of no-load mutual funds and may use model portfolios if the models match the client's investment policy. ACT Wealth Advisors will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Client portfolios may also include some individual equity securities.

ACT Wealth Advisors manages mutual fund and equity portfolios on a discretionary or nondiscretionary basis. Clients may impose any reasonable restrictions on ACT Wealth Advisors' discretionary authority, including restrictions on the types of securities in which ACT Wealth Advisors may invest client's assets and on specific securities, which the client may believe to be appropriate.

ACT Wealth Advisors may also recommend fixed income portfolios to advisory clients, which consist of managed accounts of individual bonds. ACT Wealth Advisors requests

discretionary authority from advisory clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager.

Pursuant to its discretionary authority, ACT Wealth Advisors may retain a fixed income securities manager. The fixed income securities manager will have the discretionary authority to invest client assets in fixed income securities consistent with the client's Fixed Income Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager obtains ACT Wealth Advisors' consent prior to the sale of any client securities. ACT Wealth Advisors provides to investment manager any updated client financial information or account restrictions necessary for the investment manager to provide sub-advisory services.

On an ongoing basis, ACT Wealth Advisors answers clients' inquiries regarding their accounts and reviews periodically with clients the performance of their accounts. ACT Wealth Advisors periodically, and at least annually, reviews client's investment policy and risk profile and discusses the re-balancing of each client's accounts to the extent appropriate.

In addition to managing the client's investment portfolio, ACT Wealth Advisors consults with clients on various financial areas including income and estate tax planning, sale of business interests, college planning, retirement planning, insurance analysis, personal cash flow analysis, establishment and design of retirement plans and trust designs, among other things. ACT Wealth Advisors, through its affiliated accounting firm, may also, for a separate fee, prepare a client's tax returns as part of its wealth management services.

#### **Employee Benefit Retirement Plan Services:**

ACT Wealth Advisors also provides advisory services to participant-directed retirement plans. ACT Wealth Advisors also provides advisory services for balance forward account defined contribution retirement plans and defined benefit retirement plans.

ACT Wealth Advisors analyzes the plan's current investment platform and assists the plan sponsor in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. ACT Wealth Advisors recommends investment options to achieve the plan's objectives, provides participant education meetings, if applicable, and monitors the performance of the plan's investment vehicles.

ACT Wealth Advisors recommends changes in the plan's investment vehicles as may be appropriate from time to time. ACT Wealth Advisors periodically reviews the plan's investment vehicles and investment policy.

For certain retirement plans, ACT Wealth Advisors also works in coordination and support with BAM Advisor Services, LLC ("BAM"). Retirement plan clients will engage both ACT Wealth Advisors and BAM. BAM will provide to the client additional discretionary investment management services and will exercise discretionary authority to select the plan investments made available to the plans' participants by selecting and maintain the plans' investments according to the goals and investment objectives of the plan.

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

### **Financial Planning Services:**

ACT Wealth Advisors may also provide advice in the form of a Financial Plan. Clients purchasing this service may receive a financial report, including a Monte Carlo analysis. The types of reports provided to clients will vary depending upon the services requested by the client.

In general, the financial planning may address any or all of the following areas of concern:

- **PERSONAL:** Family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** Income tax and spending analysis and planning for past, current and future years. ACT Wealth Advisors may illustrate the impact of various investments on a client's current and future income tax liability.
- **DEATH & DISABILITY:** Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.
- **RETIREMENT:** Analysis of current strategies and investment plans to help the client achieve the client's retirement goals.
- **INVESTMENTS:** Analysis of investment alternatives and their effect on a client's portfolio.

ACT Wealth Advisors gathers required information through personal interviews. Information gathered may include a client's current financial status, future goals and attitudes toward risk. Related documents supplied by the client are reviewed. A written financial planning report may be prepared. Should a client choose to implement the recommendations contained in the plan, ACT Wealth Advisors suggests the client work closely with his/her attorney, accountant, insurance agent, or other provider. Implementation of financial plan recommendations is entirely at the client's discretion.

## **Item 5 – Fees and Compensation**

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

ACT Wealth Advisors has contracted with BAM Advisor Services, LLC (BAM), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. ACT Wealth Advisors has also contracted with BAM for sub-advisory services with respect to clients' fixed income accounts. ACT Wealth Advisors pays a fee for BAM services based on management fees paid to ACT Wealth Advisors on accounts which use BAM Advisor Services. The fee paid by ACT Wealth Advisors to BAM consists of a portion of the fee paid by clients to ACT Wealth Advisors and varies based on the total client assets. These fees are not separately charged to advisory clients.

Client accounts managed on the BAM Advisor Services platform generally consist of mutual funds offered by Dimensional Fund Advisors (DFA), which follow a passive asset class investment philosophy with low holdings turnover and may include individual fixed income securities.

The specific manner in which fees are charged by ACT Wealth Advisors is established in a client's written agreement with ACT Wealth Advisors. Investment Management and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which ACT Wealth Advisors calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date assets are transferred in).

For Investment Management and Employee Benefit Plan Services, ACT Wealth Advisors requests authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to ACT Wealth Advisors or its designated service provider, BAM, to withdraw fees from the account. ACT Wealth Advisors sends to the client an invoice showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated. Clients should verify the accuracy of the fee calculations in such invoices. Certain third party administrators calculate and debit ACT Wealth Advisors' fee and remit such fee to ACT Wealth Advisors.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account at any time after the required 30-day notice, any prepaid, unearned fees will be promptly refunded.

ACT Wealth Advisors' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees generally include a management fee and other fund expenses. All fees paid to ACT Wealth Advisors for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to ACT Wealth Advisors' fee, and ACT Wealth Advisors shall not receive any portion of these commissions, fees, and costs.

### **Advisory Fees**

#### **Investment Management Services:**

The annual fee for Investment Management Services will be charged as a percentage of total assets under management, according to the schedule below:

<b>Assets under management</b>	<b>Annual Fee (%)</b>
On the first \$2,000,000	1.10%
On the next \$3,000,000	0.80%
On the next \$5,000,000	0.65%
On all amounts thereafter	0.60%

All accounts for members of the client's family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts. Pre-existing clients may be billed under a different fee schedule.

ACT Wealth Advisors imposes a minimum fee of \$7,500 per client relationship. The minimum fee may be negotiable under certain circumstances.



### **Employee Benefit Retirement Plan Services:**

The annual fee for Employee Benefit Plan Services will be charged as a percentage of assets within the plan.

Assets Under Management	BAM's Annual Fee	ACT's Annual Fee	Total Fee
On the first \$1,000,000	0.20%	0.70%	0.90%
On the next \$4,000,000	0.15%	0.45%	0.60%
On the next \$5,000,000	0.075%	0.25%	0.325%
On all amounts above \$10,000,000	0.05%	0.15%	0.20%

### **Financial Planning Services:**

Financial planning fees will be charged on an hourly basis, ranging from \$125 - \$295 per hour, depending on the nature and complexity of each client's circumstances and upon mutual agreement with the client. 50% of the estimated fee may be due upon signing the engagement agreement, with the balance due upon presentation of the plan to the client. Depending on the services to be performed, ACT Wealth Advisors may set a maximum "not to exceed" fee or a "fixed fee" for such planning services.

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

ACT Wealth Advisors 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). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

ACT Wealth Advisors provides services to individuals, including high net worth individuals, trusts, foundations, non-profits, small businesses, Individual Retirement and SEP Accounts, defined contribution retirement plans, and defined benefit pension plans.

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

### Methods of Analysis and Investment Strategy

ACT Wealth Advisors' services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. ACT Wealth Advisors' investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. ACT Wealth Advisors recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. ACT Wealth Advisors selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, ACT Wealth Advisors' investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients, the investment directly in conservative fixed income securities to represent the fixed income class. ACT Wealth Advisors' investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that ACT Wealth Advisors' strategy seeks to minimize.

In the implementation of investment plans, ACT Wealth Advisors therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. ACT Wealth Advisors may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and ACT Wealth Advisors may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

ACT Wealth Advisors' strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

ACT Wealth Advisors receives supporting research from BAM Advisor Services and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). ACT Wealth Advisors utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides

historical market analysis, risk/return analysis, and continuing education to ACT Wealth Advisors.

### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, ACT Wealth Advisors relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, ACT Wealth Advisors may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

### *Risk of Loss*

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by ACT Wealth Advisors may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in ACT Wealth Advisors' investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury

Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by ACT Wealth Advisors may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **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 ACT Wealth Advisors or the integrity of ACT Wealth Advisors' management. ACT Wealth Advisors has no information applicable to this Item.

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

### **Affiliated Companies**

ACT Wealth Advisors is an SEC registered investment advisor. Through common ownership, ACT Wealth Advisors is affiliated with the accounting firm Arnett Carbis Toothman LLP; A & F Insurance Advisors LLC; AF Consulting, LLC; AF Realty, LLC; A & F Financial Holdings LLC; Walker Benefits, LLC; and Total Practice Management, LLC. These related companies may be recommended to ACT Wealth Advisors advisory clients. No advisory client is obligated, however, to use the services of any of these companies.

Arnett Carbis Toothman LLP's accounting services do not include the authority to sign checks or otherwise disburse funds on any ACT Wealth Advisors advisory client's behalf. ACT Wealth Advisors may utilize the services of its affiliated accounting firm in the preparation of financial plans for advisory clients. ACT Wealth Advisors may compensate the accounting firm for tax services, and estate and retirement planning necessary for financial plans. ACT Wealth Advisors may charge clients and compensate the accounting firm based on its assistance.

A & F Insurance Advisors LLC may be recommended to advisory clients for the implementation of insurance product recommendations. A & F Insurance Advisors LLC and its agents may receive commission compensation, which is separate and distinct from ACT Wealth Advisors' advisory fees, for implementing insurance product transactions on behalf of advisory clients. A & F Insurance Advisors LLC also provides insurance consulting for hourly fees. A & F Insurance Advisors LLC may assist with annuity products, life insurance, disability insurance, and long-term care insurance. ACT Wealth Advisors and its associated persons will act in a client's best interest pursuant to their fiduciary duty. The receipt of additional compensation creates a conflict of interest.

AF Consulting, LLC provides various business consulting services. These services include assistance with health care cost reimbursement.

AF Realty, LLC is a commercial property business not recommended to clients. Commercial property may be available for lease by advisory clients.

A & F Financial Holdings LLC is a holding company for a number of the above described businesses.

Walker Benefits, LLC provides third party administrator services for employee benefit plans.

Total Practice Management, LLC provides third party medical billing services.

#### BAM Advisor Services, LLC

As described above in Item 4, ACT Wealth Advisors may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. ACT Wealth Advisors selects BAM Advisors Services, LLC for such fixed income management. ACT Wealth Advisors also contracts with BAM Advisor Services, LLC for back office services and assistance with portfolio modeling. ACT Wealth Advisors has a fiduciary duty to select qualified and appropriate managers in the client's best interest and believes that BAM Advisor Services, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of ACT Wealth Advisors continuously makes this assessment. While ACT Wealth Advisors has a contract with BAM Advisor Services, LLC governing a time period for back office services, ACT Wealth Advisors has no such fixed commitment to the selection of BAM Advisor Services, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to BAM Advisor Services, LLC.

## Item 11 – Code of Ethics

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

To supervise compliance with its Code of Ethics, ACT Wealth Advisors requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's Chief Compliance Officer. ACT Wealth Advisors also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

ACT Wealth Advisors' Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. ACT Wealth Advisors requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

ACT Wealth Advisors will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

It is ACT Wealth Advisors' policy that the firm will not affect any principal or agency cross securities transactions for client accounts. ACT Wealth Advisors will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the

transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

ACT Wealth Advisors arranges for the execution of securities transactions with the assistance of BAM Advisor Services. Through BAM, ACT Wealth Advisors participates in the Fidelity Institutional Wealth Services (FIWS) program offered to independent investment advisors, sponsored by Fidelity Brokerage Services, LLC ("Fidelity"), member FINRA/SIPC, the Schwab Advisor Services (SAS) program offered to independent investment advisors by Charles Schwab & Company, Inc. ("Schwab"), member FINRA/SIPC, and the TD Ameritrade Institutional ("TDA") services program offered to independent investment advisors by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"), member FINRA/SIPC. Fidelity, Schwab and TD Ameritrade are unaffiliated SEC-registered broker dealers and FINRA member broker dealers.

The Fidelity, Schwab and TD Ameritrade brokerage programs will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. ACT Wealth Advisors regularly reviews these programs to ensure that its recommendations are consistent with its fiduciary duty. These trading platforms are essential to ACT Wealth Advisors' service arrangements and capabilities, and ACT Wealth Advisors may not accept clients who direct the use of other brokers. As part of these programs, ACT Wealth Advisors receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As ACT Wealth Advisors will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must direct ACT Wealth Advisors as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that ACT Wealth Advisors will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisors require clients to direct the use of specific brokers.

Other than sales through Fidelity, Schwab and TD Ameritrade, ACT Wealth Advisors will not exercise authority to arrange client transactions in fixed income securities. Clients will provide this authority to a fixed income manager retained by ACT Wealth Advisors on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

Fidelity, Schwab and TD Ameritrade do not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While ACT Wealth Advisors will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

ACT Wealth Advisors also does not have any arrangements to compensate any broker dealer for client referrals.

ACT Wealth Advisors does not maintain any client trade error gains. ACT Wealth Advisors makes client whole with respect to any trade error losses incurred by client caused by ACT Wealth Advisors. For clients utilizing TD Ameritrade for brokerage services, TD Ameritrade maintains a policy that any trade error gains will be donated by TD Ameritrade to charity.

ACT Wealth Advisors generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which ACT Wealth Advisors arranges transactions. BAM Advisor Services, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case an ACT Wealth Advisors client's orders may be aggregated with an order for another client of BAM Advisor Services, LLC who is not an ACT Wealth Advisors client. See BAM Advisor Services, LLC Form ADV Part 2.

### **Employee Benefit Retirement Plan Services:**

For daily valuation ERISA plans described in Item 4, ACT Wealth Advisors does not arrange for the execution of securities transactions as a part of this service, as transactions are executed directly through employee plan participation.

### **Financial Planning Services:**

Financial Planning clients will be required to select their own broker-dealers and insurance companies for the implementation of advisory recommendations. When consistent with its fiduciary duties, ACT Wealth Advisors may recommend a representative of A & F Insurance Advisors LLC for insurance products. ACT Wealth Advisors does not have the authority to negotiate volume transactions or commission rates, or otherwise seek best execution for clients implementing financial planning recommendations.



Although ACT Wealth Advisors will only recommend the services of affiliated persons when consistent with its fiduciary duty, the receipt of additional compensation by ACT Wealth Advisors' affiliated persons for the implementation of financial planning recommendations creates a conflict of interest.

## **Item 13 – Review of Accounts**

### **Reviews:**

#### **Investment Management Services:**

An investment advisor representative is assigned to each account and that investment advisor representative will review each account at least quarterly. The review process contains each of the following elements:

- A. assessing client goals and objectives;
- B. evaluating the employed strategy(ies);
- C. monitoring the portfolio(s); and
- C. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- A. a specific client request;
- B. a change in client goals and objectives;
- C. an imbalance in a portfolio asset allocation; and
- D. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

#### **Employee Benefit Retirement Plan Services:**

Employee benefit retirement plan investment selections are reviewed on a periodic basis and according to the standards and situations described above for investment management accounts.

## **Financial Planning Services:**

Financial Planning accounts will be reviewed and/or updated as contracted for at the inception of the advisory relationship.

## **Reports:**

All clients will receive quarterly performance reports that summarize the client's account and asset allocation. Clients will also receive monthly statements from their account custodian, which will outline the client's current positions, cost basis of securities, and current market value.

Financial Planning clients receive reports as contracted at the inception of the advisory relationship.

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

### **Client Referrals**

ACT Wealth Advisors may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. ACT Wealth Advisors may compensate affiliated persons who are members, employees or former members of ACT Wealth Advisors' affiliated accounting firm, Arnett Carbis Toothman LLP, for client referrals. Clients should understand that these persons have an economic incentive to recommend the advisory services of ACT Wealth Advisors. ACT Wealth Advisors is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by ACT Wealth Advisors and all applicable Federal and/or State laws will be observed.

### **Other Compensation**

As indicated under the disclosure for Item 12, Fidelity, Schwab and TD Ameritrade each respectively provide ACT Wealth Advisors with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them. These services benefit ACT Wealth Advisors but may not benefit its clients' accounts. Many of the products and services assist ACT Wealth Advisors in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and

account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of ACT Wealth Advisors' fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of ACT Wealth Advisors' accounts. Fidelity, Schwab and TD Ameritrade also make available to ACT Wealth Advisors other services intended to help ACT Wealth Advisors 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. ACT Wealth Advisors does not, however, enter into any commitments with these brokers for transaction levels in exchange for any services or products from the brokers. While as a fiduciary, ACT Wealth Advisors endeavors to act in its clients' best interests, ACT Wealth Advisors' requirement that clients maintain their assets in accounts at Fidelity, Schwab and TD Ameritrade may be based in part on the benefit to ACT Wealth Advisors of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

ACT Wealth Advisors also receives software from DFA, which ACT Wealth Advisors utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for ACT Wealth Advisors personnel. These services are designed to assist ACT Wealth Advisors plan and design its services for business growth.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. ACT Wealth Advisors urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

For most portfolios, ACT Wealth Advisors requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts. Any limitations on this discretionary authority shall be

included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, ACT Wealth Advisors observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to ACT Wealth Advisors in writing.

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

**Class Actions, Bankruptcies and Other Legal Proceedings:** Clients should note that ACT Wealth Advisors will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct ACT Wealth Advisors to transmit copies of class action notices to the client or a third party. Upon such direction, ACT Wealth Advisors will make commercially reasonable efforts to forward such notices in a timely manner.

**Proxy Voting:** As a matter of firm policy and practice, ACT Wealth Advisors does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. ACT Wealth Advisors, however, may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about ACT Wealth Advisors' financial condition. ACT Wealth Advisors 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.