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Form ADV Part 2A Brochure

March 30, 2015



This brochure provides information about the qualifications and business practices of Total Clarity Wealth Management, Inc. If you have any questions about the contents of this Brochure, please contact us at (630) 762-9352 and/or jeanne@totalclaritywealth.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Total Clarity Wealth Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Total Clarity Wealth Management, Inc. is 142728.

Any references to Total Clarity Wealth Management, Inc. as a registered investment adviser or its related persons as registered Advisory Representatives does not imply a certain level of skill or training.

Item 2 – MATERIAL CHANGES

11/6/11:

- Added Cetera Investment Services as an additional custodian
- Added provision of advisory services to ERISA accounts
- Added affiliations with lawyer and accounting practice

03/27/12:

- Custodial Service Fee has increased from \$4 to \$4.95
- \$1 Paper Surcharge charged by Custodian for paper statements and confirmations

03/25/13:

- Address changed from Suite U to Suite T
- Maximum allowable hourly fee for financial planning increased to \$500
- Added additional information on termination of advisory accounts and of on-going Advisory Services to ERISA accounts
- Updated name of Broker/Dealer from Financial Network Investment Corporation to Cetera Advisor Networks, LLC due to their name change
- Removed information about “Order Blast” trading since this is no longer available
- Principal Owners of Total Clarity are no longer owners of Allusion Partners, LLC

03/31/14:

- Updated language regarding how fees are calculated and charged for ERISA Advisory Services for 401k plans
- Further defined “no load” fund shares

11/11/14:

- Added section for FundVest Funds including holding period and fees (Item 5, pg. 11)
- ERISA account fee range for Advisory Services further explained (Item 5, pg. 12)

03/30/15:

- Added information about holding “Alternative Investments” in advisory accounts
- Added disclosure information for Variable Annuities and alternative investments
- The maximum allowable fees to be charged have been increased for Vision & Value Accounts
- Updated billing calculation for 401k plans
- Clarified how refunds of advisory fees on closed accounts are calculated and paid
- Quarterly Client Review reports will show performance data beginning on 01/01/12, regardless of account’s inception date, due to conversion to new reporting service
- David Hubbard, Terry Murphy and Jeanne Tackett are the principal owners of Total Clarity
- Terry Murphy is no longer the Chief Compliance Officer - Jeanne Tackett is now the Chief Compliance Officer, rather than the Designee
- Added disclosure that principal owners of Total Clarity Wealth Management, Inc. also own an advisor services company

At least annually, this section will discuss only specific material changes that are made to the Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

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Item 4 - ADVISORY BUSINESS

Total Clarity Wealth Management, Inc. (hereinafter referred to as “Total Clarity”) is a financial planning and investment advisory firm offering wealth management services customized to your individual needs.

4 A. Total Clarity is a corporation formed under the laws of the State of Illinois in 2006 and filed for investment adviser registration with the Securities and Exchange Commission in April of 2007. On March 1, 2015, David J. Hubbard (CRD number 1122248) became the majority shareholder of Total Clarity. Terrance (Terry) Murphy, CRD number 2191779, remains as President and Jeanne Tackett, CRD number 5257777, is the Chief Compliance Officer and the Vice President of Operations. Terry, Jeanne, and David Hubbard, CRD number 1122248, are the principal owners of Total Clarity Wealth Management. David Hubbard entered the financial services industry in 1980. Terry has been in the financial services industry since 1991, and Jeanne became involved in the financial services industry beginning in 2006. Additional business information about Dave, Terry, Jeanne and the other Advisory Representatives who work with clients is disclosed on the Supplemental Brochures ADV Part 2B for each Advisory Representative.

4 B. Total Clarity offers the following advisory services, a complete description of each is described below:

- Asset Allocation and Management/Portfolio Monitoring Services
- Advisory Services to ERISA Accounts (Employer 401K programs)
- Financial Planning
- Special Projects

Asset Allocation and Management/Portfolio Monitoring Services

When Total Clarity completes its analysis of your existing investments and overall financial circumstances, our Advisory Representative will determine an asset allocation customized to your financial goals, objectives and risk tolerance. We customize your portfolio allocation taking into consideration your limitations or restrictions, the market and economy at the time, your current financial status, and future goals and objectives. We offer two managed account programs: the Total Clarity Vision Account, which is a wrap fee program and the Total Clarity Value Account. The Total Clarity Vision Account wraps all of the transaction charges in with the advisory fee, whereas the Value Account charges an advisory fee and transaction charges are billed directly to the account.

Your Advisory Representative will schedule a meeting with you and present the recommended portfolio allocation. Upon your approval, we will implement the initial portfolio allocation. After we implement the initial portfolio allocation, with your written approval as indicated in the Vision or Value Account Agreement, we will provide continuous and ongoing management of your account. If you provide your Advisory Representative with discretionary approval for your account, he will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. Unless otherwise expressly requested by you, Total Clarity will manage the account and will make changes to the allocation as deemed appropriate by the firm and your Advisory Representative. If you do not

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provide discretionary approval, your Advisory Representative will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time after discussing the recommended modifications with you. Depending on your specific goals, objectives and market circumstances, we will generally hold positions in your account for a long term, even more than a year, or we may actively trade some securities holding such positions for periods of 30 days or less.

Our Advisory Representatives primarily use open-ended mutual funds and stocks, including no-load and load waived or mutual funds purchased at net asset value (NAV). However, managed accounts are not exclusively limited to mutual funds and stocks and may include bonds, certificates of deposits, government securities, exchange traded funds (ETFs), Unit Investments Trusts (UITs), money markets and variable annuities. In the case of UITs, many are not purchased into the account at NAV; they are purchased at the public offering price (NAV plus maximum sales charge). Some Advisory Representatives also invest in “Alternative Investment” products, such as Real Estate Investment Trusts (REITs) and private equities. These are held in the Account as a courtesy to the client(s) and are not part of any wrap fee program.

Transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

If you elect to have your accounts managed on a non-discretionary basis, no changes will be made to the allocation of your account without prior consultation with you and your expressed verbal agreement for each transaction. After making the initial asset allocation recommendation, we will monitor your account on a periodic basis and make investment recommendations, and will provide continuous and ongoing management of the assets.

As further described below, Total Clarity has entered into a relationship to offer you brokerage services through Cetera Advisor Networks LLC, Member FINRA/SIPC, and custodial services through Pershing, LLC for non-qualified accounts and Cetera Investment Services for qualified retirement accounts and/or Coverdell Education Savings accounts. There is no affiliation between Total Clarity, Pershing, and Cetera Advisor Networks. Cetera Investment Services and Cetera Advisor Networks are affiliated companies.

If you select another brokerage firm for custodial and/or brokerage services you will not be able to receive asset management services from Total Clarity. Our Advisory Representatives are dually registered representatives with Cetera Advisor Networks which is a broker/dealer. Advisory Representatives must adhere to FINRA rules and regulations and the policies and procedures of Cetera Advisor Networks. Cetera Advisor Networks policies and procedures and FINRA rules prohibit our Advisory Representatives from conducting transactions at a broker/dealer for which approval has not been obtained from Cetera Advisor Networks. Additionally, some of our Advisory Representatives are also Advisory Representatives with Cetera Advisor Networks.

You may deposit assets on which a commission was previously paid, including mutual funds on which a sales charge was paid, to a fee-based account. However, Total Clarity generally does not permit securities purchased on a commission basis to be transferred into a fee-based account for a minimum 2 year period for A shares and 4 years for B shares after the securities were purchased if your Total Clarity Advisory Representative received the commission. These restrictions are not required if the securities were originally purchased by an outside firm and

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representative, and are being transferred into a Total Clarity Vision or Value Account under the management of our Advisory Representative.

Total Clarity does not allow 'C' shares to be held within either of its programs. If they are transferred in from another account, they will be sold without a commission, if possible, as soon as they are brought into the Total Clarity account. The purpose of this prohibition is to prevent you from paying duplicative or extra charges.

Advisory Services to ERISA Accounts

Total Clarity offers on-going advisory services for Employer 401k programs. These services include providing recommendations of the asset classes and investment choices to be offered within the 401k plan and a review of the investment choices at least once a year or when requested by the Plan Sponsor. Total Clarity will also provide non-fiduciary services for these programs including working with the TPA of the plan, assisting with rollovers due to termination or retirement of plan participants and for new participants and providing educational seminars to the plan participants at least once a year if requested by the plan sponsor(s) (educational seminars will be of general topics such as how the Plan works, Roth conversions, 529s and economic updates, but we will not be providing any specific investment advice at these seminars).

The asset class and investment choices to be offered in the plan are based on information provided by the plan sponsors as well as on past performance of the possible choices, management of the available investment choices and current market conditions.

Total Clarity does not have a standard fee schedule for ERISA Advisory Services. However, the maximum annual fee that may be charged is 2% of the Assets Under Management (AUM) in the plan. Fees are set in the initial agreement and are a flat annual fee, typically based on the AUM at the time of the agreement, payable on a quarterly basis. A flat fee is a specific dollar amount that you as the client will pay for consulting services. Fees are paid for in arrears. This means that a Plan's fees pay for services that the Plan received in the ERISA Advisory Services Program in the prior quarter. Fees may be paid from Plan assets or by check. If fees will be paid from Plan assets, the Plan authorizes the Plan Custodian to calculate the appropriate fee under the executed Advisory Agreement, debit the fee from Plan assets and forward the fees to Total Clarity for payment to the Advisor. It is the Plan's responsibility to verify the accuracy of fee calculations made by the Plan Custodian. The value of Plan assets for fee calculation purposes will be as reported by the Plan Custodian. The option to pay by check is available.

Neither Total Clarity nor the IAR will initiate trades, have custody of any plan assets, recommend individual stocks, bonds, or mutual funds, within the plan to Plan Participants, nor design or write Plan Documents. Please see form TCWM_348, ERISA Advisory Services Agreement for more information.

Financial Planning Services

Total Clarity offers financial, insurance, and retirement planning services and renders advice on estate and tax matters within the context of the financial planning process. Our Advisory Representative will schedule a meeting with you to gather your financial information and history and to discuss your retirement and financial goals, investment objectives, investment horizon,

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financial needs, cash flow analysis, cost of living needs, education needs, savings tendencies, and other applicable financial information in order to provide the planning services you request. Total Clarity will prepare a written financial plan and present the analysis of your financial circumstances along with our recommendations for steps to be taken to assist you as you work toward your financial goals.

The Plan is based on your financial situation at the time and on the financial information you disclosed to our Advisory Representative. You need to be aware that certain assumptions may be made with respect to interest and inflation rates, as well as the use of past trends and performance of the market and economy. *However, past performance is in no way an indication of future performance.* Total Clarity cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. If your financial status, investment goals or objectives change, you must notify Total Clarity promptly of the changes. Depending on the services you request, the advice offered by Total Clarity may be limited and may not be comprehensive in nature. Based on your specific needs or situation, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement planning advice through Total Clarity or your Advisory Representative. If you do choose to implement the plan with one of our Advisory Representatives, they may receive commissions or other compensation in addition to the fee you paid for the planning services.

Special Projects

In addition to the financial planning services indicated above, Total Clarity can provide guidance and assistance for special projects. Special projects may include services such as The Discovery Process and Asset Review. The Discovery Process is a consulting process designed to help you gain clarity about the issues you face. Asset Review is a review of all your assets, including those held outside of our management services, such as in corporate retirement plans, family trusts, etc.

A special project can be a one time service, or may be provided on an ongoing basis. If the project is ongoing, your fee may be invoiced quarterly along with your Total Clarity Quarterly Review report, and may be deducted from an existing account you have with Total Clarity.

4 C. We tailor the advisory services we offer to your individual needs. You may impose restrictions and/or limitations on the investing in certain securities or types of securities. We may ask you to complete an Account Information Form, Investment Profile Questionnaire and a Confidential Client Profile document to assist us with obtaining information about your financial situation and history. Additionally, one or more of our Advisory Representatives will meet with you and conduct an interview and data gathering session to continue the due diligence process. The information gathered by Total Clarity will assist the firm in providing you with the requested services and customize the services to your financial situation.

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Depending on the services you have requested, we will gather various financial information and history from you including, but not limited to:

- Retirement and financial goals
- Investment objectives
- Investment time horizon
- Existing portfolio statements, including retirement account information
- Financial needs
- Education savings needs
- Cash flow analysis
- Cost of living needs
- Savings tendencies
- Other applicable financial information required by our Advisory Representative in order to provide the investment advisory services you have requested.

4 D. Total Clarity's Vision Account is a wrap fee program. Our Advisory Representatives do not manage the assets in this program any differently than the assets in the Total Clarity Value accounts. Total Clarity will receive a portion of the wrap fee for our services. Another portion of the net advisory fee may be paid to the Advisory Representative's supervisor and/or branch manager, and the remainder of the fee is paid to your Advisory Representative.

The Vision Account Agreement may be terminated by either party upon receipt of a written notice of termination. Termination by a Client is effective upon receipt of the notice by Total Clarity unless a specific date is requested in the notice. You may terminate the agreement without penalty within 5 days of signing the account agreement. If you terminate an account(s) within the first calendar year after opening the account(s), you may be charged a \$200 administrative fee which may be deducted from any refund of fees. This fee may be waived at Total Clarity's sole discretion. This fee is not charged on accounts that are closed due to a transfer of the assets to another Total Clarity account. After one calendar year, if an account is terminated, Total Clarity will refund any advisory fees charged in advanced based on a pro-rata calculation based on the value of the account at the beginning of the quarter and the number of days the account was open during the quarter. Upon termination, early redemption fees or similar fees for mutual funds or other products held in the account may be applicable as described in the fund's prospectus. Another broker-dealer may or may not accept certain assets that are held in your account. Total Clarity will use reasonable efforts to follow your instructions regarding the disposition of the assets in your account to the extent permitted by law and policies of the firm. Please Note: Total Clarity will discontinue billing after the date specified in the termination notice even if the assets are still in the account, but Total Clarity and our Advisory Representatives have no fiduciary responsibilities once the Total Clarity Agreement has been terminated.

4 E. As of December 31, 2014, we have approximately \$120 million of client assets under our discretionary management and approximately \$48 million of non-discretionary client assets under management. Total Clarity manages accounts for approximately 380 clients.

General Information

The investment recommendations and advice offered by Total Clarity and your Advisory Representative are not legal advice or accounting advice. You should coordinate and discuss the impact of the financial advice we provide with your attorney and/or accountant. Total Clarity's primary goal is to help our clients identify and pursue their financial goals, thereby enhancing the overall quality of their lives.

Item 5 - FEES AND COMPENSATION

Asset Management Services

5 A. The Total Clarity Vision Account program is a wrap fee program which bundles advisory and transaction charges into one asset-based fee. The Total Clarity Value Account program is also an asset management program, but in addition to the advisory fees for this account, you will pay transaction fees for securities transactions executed in your account in accordance with the custodian's transaction fee schedule. You should understand that a wrap fee program may be more costly to you than if you obtained security trading and investment advisory services separately. Additionally, you should be aware that a wrap fee account, as compared to a traditional commission-based account, may be more costly, particularly during periods when trading activity is lower. Your overall fees may be lower if you obtain the services in an unbundled program and purchase each service separately. However, during periods when trading activity is heavier, such as when the account is first opened and during periods of increased market movements, wrap fee accounts may result in lower costs.

Our fees are negotiable and are not based on a share of capital gains or capital appreciation of the funds or any portion of the funds in your account. Advisory fees will be charged in advance on a calendar quarterly basis, based on the account balance on the last working day of the previous quarter. The blended fee schedules are as follows:

❖ Total Clarity Vision Account Program

Account Size	Maximum Annual Fee
\$0 to \$50,000	2.75%
Next \$50,001 to \$100,000	2.75%
Next \$100,001 to \$250,000	2.75%
Next \$250,001 to \$500,000	2.50%
Next \$500,001 to \$1,000,000	2.00%
Next \$1,000,001 to \$2,500,000	1.75%
Next \$2,500,001 to \$5,000,000	1.75%
\$5,000,001 and above	1.75%

❖ **Total Clarity Value Account Program**

Account Size	Maximum Annual Fee
\$0 to \$50,000	2.50%
Next \$50,001 to \$100,000	2.50%
Next \$100,001 to \$250,000	2.50%
Next \$250,001 to \$500,000	2.25%
Next \$500,001 to \$1,000,000	1.75%
Next \$1,000,001 to \$2,500,000	1.50%
Next \$2,500,001 to \$5,000,000	1.50%
Next \$5,000,001 and above	1.50%

Your Advisory Representative will negotiate your specific fee with you, based on the fee schedules outlined above. Fees may vary from client-to-client and are detailed on the Total Clarity Vision and Value Account Agreements you will sign; however fees will not exceed the schedules shown above. The fee schedules are graduated schedules. More than one fee rate may apply to the account if the total account value is \$50,001 or more at the time of valuation for the purposes of the fee calculation. Total Clarity retains a portion of the advisory fees equal to 0.04% of the account value at the end of each quarter to cover administrative costs. A portion of the net advisory fee may be paid to the Advisory Representative's supervisor and/or branch manager. The remainder of the fee is paid to your Advisory Representative. Total Clarity may change the above fee schedules upon 30-days prior written notice to you.

All accounts from one household may be added together to obtain a higher total of account values for fee calculations. In this way, your annual asset management fee may then lower, since it is based on an aggregate value of all accounts within your household, than if the fee for each account was calculated independently of the other accounts. This practice varies by Advisory Representative; so you could pay more or less for management services depending on the Advisory Representative with whom you work.

We make exceptions to our general fee schedules under certain circumstances (e.g., responsibilities involved; accounts or groups of accounts which are expected to have significant capital additions in the future; anticipated future earning capacity; related accounts; account composition; pre-existing client; account retention; pro bono activities, etc.). In such cases, lower fees or different payment arrangements can be negotiated with each client separately and will be described in your Vision or Value Account Agreement.

You may make additions to the account or withdrawals from the account, provided the account continues to meet minimum account size requirements. No fee adjustments will be made for account appreciation or depreciation or for additions or withdrawals from the account during a quarter.

5 B. If the account is established or closed during the middle of a quarter, you will pay a pro-rated portion of the advisory fee based upon the number of days the account was under Total Clarity's management. The initial pro-rated fee is charged in arrears and is based on the account value at the end of the quarter; subsequent fees are billed in advance. Advisory fees for all

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periods will be charged to and collected directly from your account early in each quarter. You will need to authorize us to deduct the fee directly from your account; this is done as part of the Vision or Value Agreement. You will be provided with a fee notification that identifies the advisory fee, the value of the account, and from which account(s) the fee will be deducted. If the account does not contain sufficient funds to pay the advisory fees, Total Clarity has limited authority to sell or redeem securities in sufficient amounts to pay the advisory fee. You may reimburse the account for advisory fees paid to us, except for ERISA and IRA accounts.

5 C. For both Asset Management Programs you may also pay fees for custodial services, account maintenance fees, and other fees associated with maintaining the account. These fees are not charged by Total Clarity, but rather are charged by the product, broker/dealer or account custodian. Total Clarity does not share in any portion of these fees. Additionally, you may pay your proportionate share of the fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any mutual fund they purchase. These advisory fees are not shared with Total Clarity and are compensation to the fund-manager. You should read the mutual fund prospectus prior to investing.

Although the Total Clarity Vision Account is a wrap fee account, a custodial service fee of \$4.95 per trade, for confirmation handling and processing, may be applicable for certain mutual funds traded in Total Clarity Vision Accounts. The custodian has also added a \$1 paper surcharge for each paper statement and confirmation that is sent to the client. We do not receive nor control any portion of these fees. Some Advisory Representatives may choose to cover these costs for their clients who have their assets in a Total Clarity Vision Account; however, this is up to the discretion of each Advisory Representative. If these costs are covered by your Advisory Representative, they are refunded back at the end of each quarter to the account from which the fee was pulled.

The Vision Account may also hold Alternative Investments such as Real Estate Investment Trusts (REITs) and private equities, but advisory fees will not be charged on these holdings, since in this case commissions are paid to the registered representative at the time that they are purchased. Transaction costs for Alternative Investment products are not covered within the wrap fee agreement. Total Clarity receives no portion of commissions paid on these holdings.

Total Clarity offers a wide range of mutual funds, including mutual funds in the FundVest mutual fund program. This program is maintained by our clearing/custodial firm, Pershing LLC (Pershing). Pershing, at their sole discretion, may add or remove mutual funds from the FundVest program without prior notice. With both programs, in order for there to be no transaction fees for their purchase or sale, these FundVest or "no load" fund shares may be required to be held for a minimum time period, generally three to six months. In the event that such shares are redeemed prior to the end of the minimum holding period, they may be subject to an early liquidation fee of \$50.00. The fee may be assessed by Pershing, LLC or Cetera Investment Services, or directly by the mutual fund sponsors as described in their prospectuses. These fees are not covered by your advisory fees for Vision and Value accounts and will be charged to you, the client. They represent compensation to the fund manager and are not shared with Total Clarity. Use of these funds may result in a savings to your Advisory Representative for Vision Accounts, but are an increased cost to you if the shares are redeemed early. They are typically purchased expecting to be held for longer than 6 months. Total Clarity monitors for early redemption of the funds to verify they are not putting an undue burden on the Client, but at times early redemption may be in the Client's best interest.

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5 D. As mentioned previously, the asset management fees will be charged in advance on a calendar quarterly basis based on the account balance on the last working day of the previous quarter. The initial pro-rated fee will be charged in arrears based on the account value at the end of the first quarter it is held with Total Clarity; subsequent fees will be billed in advance. If you terminate our asset management services during a quarter, you will be charged a pro-rata portion of the advisory fee for the quarter up to the date assets are transferred out of the account (termination date). This is equal to: (the number of days in a quarter minus the number of days an account is open) / number of days in the quarter, multiplied by the fee for the full quarter. Any refund due will be calculated based on the fee previously paid for the quarter minus the pro-rata fee described above. Refunds will be credited to the account from which the management fees were pulled or a check will be mailed to the client's address of record.

An example of the fee calculation for both types of management programs is shown below:

An example of the fee calculation for both types of management programs is shown below:

- Fee calculation example for a **Total Clarity Vision Account** valued at \$1.2 million:

- \$50,000 @ 2.75% = \$1,375
- \$50,000* @ 2.75% = \$1,375 (*\$100,000 - \$50,000 = \$50,000)
- \$150,000** @ 2.75% = \$4,125 (**\$250,000-\$100,000 = \$150,000)
- \$250,000*** @ 2.50% = \$6,250 (***\$500,000-\$250,000 = \$250,000)
- \$500,000**** @ 2.00% = \$10,000 (**\$1,000,000-\$500,000 = \$500,000)
- \$200,000*****@ 1.75% = \$3,500 (*****\$1,200,000-\$1,000,000 = \$200,000)

Total Annual Fee: \$26,625 divided by 4 quarters/year equals \$6,656.25 quarterly fee

- Fee calculation example for a **Total Clarity Value Account** valued at \$1.2 million:

- \$50,000 @ 2.50% = \$1,250
- \$50,000* @ 2.50% = \$1,250 (*\$100,000 - \$50,000 = \$50,000)
- \$150,000** @ 2.50% = \$3,750 (**\$250,000-\$100,000 = \$150,000)
- \$250,000*** @ 2.25% = \$5,625 (***\$500,000-\$250,000 = \$250,000)
- \$500,000**** @ 2.00% = \$10,000 (**\$1,000,000-\$500,000 = \$500,000)
- \$200,000*****@ 1.50% = \$3,000 (*****\$1,200,000-\$1,000,000 = \$200,000)

Total Annual Fee: \$24,875 divided by 4 quarters/year equals \$6,218.75 quarterly fee

5 E. As previously indicated, Advisory Representatives of Total Clarity are dually Registered Representatives of Cetera Advisor Networks, a registered Broker/Dealer, member of FINRA and SIPC. Advisory Representatives of Total Clarity who are Registered Representatives may receive trail commissions (i.e. 12b-1 fees) for a period of time as a result of directing securities transactions through Cetera Advisor Networks. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from your assets. 12b-1 fees may be initially paid to Cetera Advisor Networks and a portion passed to the Advisory Representative.

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In addition, for investments that exceed \$1 million into a fund family, Advisory Representatives may receive payments as described in the fund's prospectus, usually ranging from .25-1.00%. In the event you elect to redeem shares out of the fund family within twelve to twenty-four months, depending upon the funds utilized, you may incur a contingent deferred sales charge. Otherwise, these shares will incur no sales charge. The receipt of these fees could represent an incentive for the Advisory Representative to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a potential conflict of interest. Advisory fees will not be offset by any 12b-1 fees received by Total Clarity or your Advisory Representative, except for qualified ERISA plans.

As stated above, Total Clarity may recommend mutual funds that pay 12b-1 fees as well as no-load funds. You may be able to purchase the securities recommended by Total Clarity directly or through other brokers or agents not affiliated with Total Clarity.

Termination Provisions for Asset Management Services

You may terminate investment advisory services obtained from Total Clarity, without penalty, upon verbal or written notice within five (5) business days after entering into the advisory agreement with Total Clarity. You will be responsible for any fees and charges incurred from third parties as a result of maintaining the Account such as transaction fees for any securities transactions executed and Account maintenance or custodial fees. Thereafter, you may terminate investment advisory services with 15-days written notice to Total Clarity. If you terminate your account within the first calendar year after it is opened, you agree to pay a fee ("Administrative Fee") of two hundred dollars (\$200) to defray initial account setup and administration costs. This fee may be paid in the same manner as the Asset-Based Fee. Total Clarity may waive the "Administrative Fee" at our discretion.

Fees for Advisory Services to ERISA Accounts

Fees charged for services to ERISA accounts may be paid by the 401k Plan Sponsor or may be pulled from the plan participants' accounts. This is decided by the plan sponsor. Fees will be pulled as indicated on the Total Clarity ERISA Advisory Services Agreement. If the fees are paid by the plan sponsor, an invoice will be sent each month or each quarter (dependent on the agreement) to the plan sponsor for one-twelfth or one-fourth the annual fee. Fees will be billed beginning as of the effective date shown on the plan Agreement, and are billed in arrears. This date may be adjusted to a later date by Total Clarity. Fees are calculated annually based on a percentage of AUM. Fees are fixed for a one year period and will not exceed 2% of the AUM at the time of the plan review.

If the fees are to be pulled from the plan participants' accounts, they will be pulled quarterly based on the following:

$$\text{Annual fee} \times \# \text{ days in quarter} / 365 = \text{quarterly fee.}$$
 The quarterly fee per account will then be determined by its % of the total AUM for the plan and will be charged an amount equal to $(\text{Amount of fee per period} \times \% \text{ of value AUM} / 100)$.

So those with a higher balance will pay a higher amount than those with a smaller account value. The quarterly fee will be charged on this pro-rata basis across all of the plan participants based on the account value at the end of the quarter.

Total Clarity will receive 10% of the total annual fee or a minimum of \$1,250. The Advisory

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Representative's supervisor or branch manager may receive up to 10% of the remaining fee, and the IAR will then receive the balance of the fee. Fees will be reviewed annually with the Plan Sponsor or Investment Committee. Any changes to the fees charged must be approved by the Plan Investment Committee.

Any 12b-1 fees collected by the Custodian for the plan will be either refunded back to the Plan or be used toward the above fee per ERISA requirements.

Termination Provisions for Services to ERISA Accounts

You may terminate advisory services for ERISA accounts without penalty within five (5) business days of the date of the Agreement. Either party may terminate the Agreement with a 30-days written notice to the other parties without penalty. Total Clarity will discontinue billing after the date specified in the termination notice even if the assets are still at the custodian, but Total Clarity and our Advisory Representatives have no fiduciary responsibilities once the Total Clarity Agreement has been terminated.

Fees for Financial Planning Services

Fees charged for planning services are separate and unrelated to fees and/or commissions for additional services that may be obtained, such as asset management or products purchased (e.g. securities or insurance).

We offer advisory services on an hourly and/or fixed fee basis. Planning fees are negotiated at the discretion of your Advisory Representative and are based on an hourly rate agreed upon prior to initiating services. Your specific rate will be stated in your agreement but will not exceed \$500/hour. Fixed fees will range from \$250 to \$5,000. Your fees will be dependent on several factors including the amount of time spent with your Total Clarity adviser, the number of meetings and complexity of your situation, the amount of research involved, the services requested and/or staff resources utilized.

Hourly and fixed fees will be billed to you directly and are due upon completion of the Plan Delivery Form. Generally, one half (1/2) of the fixed fee is payable at the signing of the Client Agreement with the remaining payable at the completion of the project.

Special Projects

Due to the flexible nature of special project services, your Advisory Representative will work with you to determine your fee on a per project basis. It will be outlined in detail in your Advisory Services Agreement.

Termination Provisions for Financial Planning Services and Special Projects

You may terminate special project or financial planning services within five (5) business days after entering into the advisory agreement without penalty. After five (5) business days of entering into the advisory agreement, you may terminate upon our receipt of your written notice to terminate. You will be responsible for any time spent by Total Clarity in providing advisory services or analyzing your situation. You will receive a refund of any unearned, pre-paid advisory fees for planning services within 30 days of the termination request.

Item 6 - PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT

This section is not applicable to Total Clarity since Total Clarity does not charge performance based fees.

Item 7 - TYPES OF CLIENTS

Total Clarity's services are geared toward individuals and high net worth individuals (i.e. a net worth of \$1,500,000 or more), pension and profit sharing plans, trusts, estates, charitable organizations, corporations or other business entities.

The minimum investment required in the Total Clarity Asset Management Program is generally \$10,000 for investment advisory accounts. Accounts below these minimums may be accepted on an individual basis at our discretion. Such circumstances may include, but not be limited to either additional assets will soon be deposited or the client has other accounts with Total Clarity. You should be aware that in smaller accounts, performance may suffer due to difficulties with diversification of assets and risk controls potentially being compromised.

Item 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

8 A. Total Clarity Advisory Representatives conduct economic analyses and attempt to identify relevant market trends. Additionally, IARs conduct fundamental analyses, which generally involves assessing a company's or security's value based on factors such as sales, assets, cash flow, market position, expected growth, management, products and services, earnings, and financial structure.

8 B. It is important to understand that investing in securities involves risk of loss, including the potential loss of the principal money you are investing. Therefore, your participation in any of the management programs offered by Total Clarity requires you to be prepared to bear the risk of loss as well as the fluctuating performance of your accounts. The market values of investments are subject to fluctuations based on market conditions.

We do not represent, warrant or imply that the services or methods of analysis we use can or will predict future results, successfully identify market tops or bottoms or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Total Clarity or our Advisory Representatives will provide a better return than other investment strategies.

8 C. As stated in Item 5, Total Clarity frequently uses mutual funds in client portfolios. The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of fund managers and/or the fund straying from its stated investment objective. Open ended mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day. Mutual fund fees are described in the fund's prospectus,

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which will be mailed or emailed directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's Web site. At the client's request, Total Clarity will direct the client to the appropriate Web page to access the prospectus.

Total Clarity accounts may also hold as a courtesy to clients, "Alternative Investments" such as Real Estate Investment Trusts (REITs) and private equities. These products tend to have liquidity risks in that early surrender may result in a fee and the investments may take 30 days or more to liquidate. Direct Participation Products (DPPs) and REITs have certain risks associated with them including illiquidity and for REITs, property devaluation based on adverse economic and real estate market conditions. These products may not be suitable for all investors. Redemption may be at more or less than the original amount invested. There are special risks of the DPP's underlying investments - oil and gas, for example, run the risk of war, weather, or drilling mishaps. There are no assurances that the stated investment objectives will be met

For variable annuities held within Total Clarity accounts, your variable annuity contract has exclusions, limitations, reductions of benefits and terms under which the contract may be continued in force or be discontinued. Be sure to discuss costs and the complete details of coverage with your financial advisor. Guarantees of the annuity are backed by the financial strength of the underlying insurance company. Investment sub-account value will fluctuate with changes in market conditions.

Item 9 - DISCIPLINARY INFORMATION

There is no reportable disciplinary information required for Total Clarity or its management persons that is material to your evaluation of Total Clarity, its business or its management persons.

Item 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

10 A& B. Total Clarity does not have a related person who is a: broker/dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser; futures commission merchant or commodity pool operator; banking or thrift institution; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership. We do have an affiliated person who is a lawyer. The three principal owners of Total Clarity also own and advisor services company which recruits, trains, supports and supervises representatives of Cetera Advisor Networks.

10 C. As previously stated in Item 5E, Advisory Representatives are dually registered as Advisory Representatives of Total Clarity and as Registered Representatives of Cetera Advisor Networks. You are under no obligation to purchase or sell securities through your Advisory Representative. However, if we develop a financial or retirement plan for you and you choose to implement the plan with our assistance, commissions may be earned in addition to any fees you paid for the other advisory services. Commissions may be higher or lower at Cetera Advisor Networks than at other broker/dealers. Advisory Representatives may have a conflict of interest in having you purchase securities and/or insurance related products through Cetera Advisor Networks in that the higher their production with Cetera Advisor Networks the greater potential

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for obtaining a higher pay-out on commissions earned. Additionally, some of our Advisory Representatives are also Advisory Representatives with Cetera Advisor Networks.

Under the rules and regulations of the FINRA, Cetera Advisor Networks has an obligation to perform supervisory functions regarding certain activities engaged in by Advisory Representatives who are also Registered Representatives of Cetera Advisor Networks. For this supervisory function, Cetera Advisor Networks may receive a portion of the 12-b1 fees previously mentioned, however they do not receive any portion of the advisory fees from our clients' accounts. Cetera Advisor Networks and Total Clarity are separate entities and are not affiliated.

Advisory Representatives are licensed with various insurance companies. This may be a potential conflict of interest since your Total Clarity adviser may earn commissions if you purchase insurance products through them. You are under no obligation to purchase insurance products or services through your Advisory Representative.

Total Clarity attempts to mitigate the conflicts of interest relating to the potential receipt of commissions by providing you with these disclosures. As a Registered Representative with Cetera Advisor Networks, Advisory Representatives are subject to a supervisory structure at Cetera Advisor Networks for all securities business.

10 D. Total Clarity does not recommend the services of a Third Party Manager or other investment advisers.

**Item 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT
TRANSACTIONS AND PERSONAL TRADING**

Code of Ethics

11 A. Total Clarity has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. Total Clarity takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as our policies and procedures. Also, we strive to handle your non-public information in such a way to protect information from falling into the hands of anyone who has no business reason to know such information. We provide you annually with our Privacy Policy which details our procedures for handling your personal information. Total Clarity maintains a code of ethics for its Advisory Representatives, supervised persons and office staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Our Code of Ethics establishes our firm's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.

11 B. Neither Total Clarity nor its associated persons recommends buys or sells for client accounts of any securities in which they have a material financial interest.

11 C. Total Clarity and its associated persons may buy or sell securities identical to those securities recommended to you. Therefore, Total Clarity and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you.

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They will not put their interests before your interest. Neither Total Clarity nor any associated person may trade ahead of you or trade in such a way as to obtain a better price for themselves than for you or other clients. If such a trade did occur, the trade would be corrected so that both the client and the related person received the same price.

11 D. Total Clarity is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information. You have the right to decline any investment recommendation. Total Clarity and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

Item 12 - BROKERAGE PRACTICES

12 A. As previously stated, Advisory Representatives are Registered Representatives of Cetera Advisor Networks. As a result they are subject to FINRA Conduct Rule 3040 which may restrict them from conducting securities transactions away from Cetera Advisor Networks unless Cetera Advisor Networks provides them with written authorization.

You are advised that not all investment advisers require you to maintain accounts at a specific broker/dealer. You are also advised that you may maintain accounts at another broker/dealer. However, the services provided by Total Clarity will then be limited to advice only and will not include implementation. If you select another brokerage firm for custodial and/or brokerage services you will not be able to receive asset management services from Total Clarity.

In initially selecting Cetera Advisor Networks, Total Clarity conducted due diligence. Our evaluation and criteria included Cetera Advisor Networks ability to service you, their staying power as a company, their industry reputation, their ability to report to you and to us, the trading platform used, the products and services available, and their technology and educational resources.

Periodically, we will review alternative broker/dealers and custodians in the marketplace to ensure Cetera Advisor Networks and its custodians are meeting our duty to provide best execution for your accounts. The review will include a comparison to Cetera Advisor Networks and Pershing, which involves evaluating criteria such as overall expertise, cost competitiveness and financial condition. The quality of execution by Cetera Advisor Networks and Pershing will be reviewed through quarterly trade execution evaluations. However, best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian and B/D.

Additionally, product sponsors such as variable annuity and investment companies which are recommended to you may provide support to Total Clarity and our Advisory Representatives. Such support includes research, educational information, and monetary support for due diligence trips and client events.

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You are advised there is an incentive for Total Clarity and your Advisory Representative to recommend Cetera Advisor Networks over other Broker/Dealers based on the products and services that we will receive rather than your best interest.

Cetera Advisor Networks has a wide range of approved securities products for which they perform due diligence prior to selection. As Cetera Advisor Networks Registered Representatives, we are required to adhere to these products when implementing securities transactions through Cetera Advisor Networks. Commissions charged for these products may be higher or lower than commissions you may be able to obtain if transactions were implemented through another Broker/Dealer. Cetera Advisor Networks also provides our Advisory Representatives, and therefore Total Clarity, with back-office operational, technology, and other administrative support. Other services may include consulting, publications and conferences on practice management, information technology, business succession planning, regulatory compliance and marketing. Such services are intended to help us and our Advisory Representatives manage and further develop our business enterprise.

Cetera Advisor Networks and the clearing firm, Pershing, LLC also make available to Total Clarity other products and services that benefit Total Clarity but may not directly benefit you. Some of these other products and services assist Total Clarity with managing and administering your accounts. These include software and other technology that provide access to your account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of Total Clarity's fees from your accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services are used to service all or a substantial number of our accounts.

Item 13 - REVIEW OF ACCOUNTS

13 A. If you are participating in any of the Asset Management Programs, your accounts will be reviewed at least quarterly by your Advisory Representative and you will be contacted not less than annually or as agreed by you and your Advisory Representative for a review meeting. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him to review the portfolio allocation and make recommendations for changes. Each Advisory Representative is responsible for ensuring timely reviews and suitable recommendations. The level of experience of Advisory Representatives will vary. Accounts are also randomly reviewed by the CCO or his designee for suitability to your goals, objectives and time horizon.

13 B. Your Advisory Representative will monitor your accounts for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections.

13 C. You will be provided statements, for both qualified and non-qualified accounts, at least quarterly directly from Cetera Advisor Networks or Pershing. Additionally, you will receive confirmations of all transactions occurring in both qualified and non-qualified accounts directly from Cetera Advisor Networks or Pershing. Total Clarity provides a report each quarter, showing all holdings within each account, along with performance data for each account beginning either

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on 01/01/12, or from the date of its inception, if the account was opened after that time. This is due to a change of reporting systems to Morningstar Office.

Depending on the services you and your Advisory Representative request, Total Clarity may also provide records of transactions occurring in clients' accounts each quarter and/or realized and unrealized gains & losses in the accounts. Any of these reports are available upon a client's request. You should compare the report you receive from Total Clarity with statements received directly from Cetera Advisor Networks or Pershing. Should there be any discrepancy the account custodian's report will prevail

13 D. If you are participating solely in Financial Planning Services you will not receive regular reviews. Total Clarity recommends you have at least an annual review and update to any plans. However, the time and frequency of the reviews is solely your decision. Additionally, you may be charged review fees based on the Financial Planning Agreement you signed. Other than the initial plan or analysis, there will be no other reports issued.

Item 14 -CLIENT REFERRALS AND OTHER COMPENSATION

14 A. Product vendors recommended by Total Clarity may provide monetary and non-monetary assistance with client events in addition to providing educational tools and resources. We do not select products as a result of any monetary or non-monetary assistance. The suitability and quality of a product is of first and foremost importance. Total Clarity's due diligence of a product does not take into consideration any assistance it may receive. Therefore, this is not considered a conflict of interest but rather a benefit for you and us.

14 B. Total Clarity does not directly or indirectly compensate any person who is not a supervised person of our firm for referrals. Further, we do not receive an economic benefit from a non-client for providing investment advice or advisory services to you.

Lastly, we do not compensate any person or entity for referring business to Total Clarity.

Item 15 - CUSTODY

With the exception of the deduction of Total Clarity's advisory fees from your accounts, Total Clarity does not take custody of your funds or securities. As noted under Item 13C, you should compare the statement we provide you with your Cetera Advisor Networks or Pershing statement.

Item 16 - INVESTMENT DISCRETION

You may grant Total Clarity authorization to manage your account on a discretionary basis. You will grant such authority to Total Clarity by execution of the Limited Power of Attorney Authorization Form. You may terminate the discretionary authorization at any time by giving us written notice.

Additionally, you are advised that:

- 1) You may set parameters with respect to when an account should be rebalanced and set trading restrictions or limitations;

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- 2) Your written consent is required to establish any mutual fund, variable annuity, or brokerage accounts;
- 3) If you elect to implement recommendations through your Advisory Representative, we require the use of Cetera Advisor Networks, the broker/dealer with which our Advisory Representatives are registered for sales in commissionable mutual funds, stocks, bonds or variable annuities;
- 4) With the exception of the deduction of Total Clarity's advisory fees from the account, if you have authorized automatic deductions, we will not have the ability to withdraw your funds or securities from the account.

Item 17 - VOTING CLIENT SECURITIES

Total Clarity does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact your Advisory Representative about questions you may have and opinions on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

Item 18 - FINANCIAL INFORMATION

A. Total Clarity will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service; therefore, a balance sheet is not required to be attached.

B. Total Clarity has discretionary authority over client accounts; however that authority does not extend to the withdrawal of any client assets, with the exception of deduction of Total Clarity's advisory fees from your accounts. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contractual commitment to you or any other client.

C. Neither Total Clarity nor any of its Advisory Representatives has ever been the subject of a bankruptcy petition.

Item 19 - REQUIREMENTS FOR STATE REGISTERED ADVISERS

This section is not applicable to Total Clarity since Total Clarity is not state registered. Total Clarity is registered with the Securities and Exchange Commission.