



ORGEL

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# Brochure

Form ADV Part 2A | October 20, 2015

This brochure provides information about the qualifications and business practices of Orgel Wealth Management, LLC (Orgel Wealth Management). If you have questions about the contents of this brochure, please contact Orgel Wealth Management at 715-835-6525. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Orgel Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that registration of an investment adviser with the SEC does not imply a certain level of skill or training.

## Item 2 - Material Changes

The following material changes have been made since Orgel Wealth Management's last annually updated brochure dated March 31, 2015.

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

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

Certain clients of Orgel Wealth Management have investments in a private fund that is managed by an entity (Manager) that Mark Orgel has an equity interest. The private fund pays a management fee to the Manager. The Manager also receives a percentage of net distributable proceeds, if any, attributable to the private fund. This could create a conflict of interest as Mark Orgel may have a financial incentive to recommend an investment in the private fund to clients because of the management fees and net distributable proceeds received by the Manager. In order to address this conflict of interest, Orgel Wealth Management has adopted a Code of Ethics that requires all supervised persons to put clients' interests ahead of their own. In addition, Orgel Wealth Management has reviewed the private fund's offering documents and the management agreement (between the private fund and Manager) and whether the fund investment is appropriate for each client investor. Mark Orgel is also a member of a private fund that is managed by the fund's members, of which certain clients are also members either directly or indirectly. An investment in these private funds may not be a suitable investment for every client.

### Item 17 - Voting Client Securities

Orgel Wealth Management has retained the services of Broadridge Financial Solutions, Inc. to monitor and process securities class action claims on behalf of clients. For its services, Broadridge charges a contingency fee of 20% of the amount recovered from a successful class action settlement, which is deducted from a client's award at the time of payment. The contingency fee is subject to change.

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## **Item 4 – Advisory Business**

Orgel Wealth Management is an independent SEC-registered investment advisory firm that provides advisory and wealth management services to individuals, families, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Services primarily include investment management, financial planning and consulting, and retirement plan consulting.

Orgel Wealth Management was established in October 2013 as a limited liability company and together with its predecessor practices has served clients since 1984. Orgel Wealth Management is principally owned by Mark A. Orgel, Chairman and Founder.

Prior to rendering services, clients enter into a written agreement with Orgel Wealth Management that sets forth the terms and conditions of the advisory relationship.

### **Investment Management Services**

Orgel Wealth Management provides investment management services to separate account clients on a discretionary basis. Orgel Wealth Management's services are individually tailored and begin by working closely with the client to determine the client's investment objectives, risk tolerance, time horizon, and liquidity needs. Orgel Wealth Management then determines a portfolio investment strategy for each client designed to achieve the client's objectives. While Orgel Wealth Management's disciplined asset allocation strategies focus primarily on the long-term view, Orgel Wealth Management also incorporates a pragmatic approach that makes provisions for client events along the way.

Portfolios consist primarily of mutual funds, exchange-traded funds, and individual stocks and bonds, but may also include privately placed investments, such as private debt, private equity, hedge funds, and real estate investment trusts. Investment decisions are not limited to any specific security or product. Clients may impose reasonable restrictions or mandates on the management of their accounts if Orgel Wealth Management determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the management efforts. Clients are responsible for notifying Orgel Wealth Management if there are changes in their financial situation.

Orgel Wealth Management may also provide discretionary investment management services to clients that participate in the Orgel Wealth Management Advisory Wrap Fee Program, an arrangement where custodial and transaction costs are absorbed by Orgel Wealth Management.

Additional information about the Orgel Wealth Management Advisory Wrap Fee Program is available in Orgel Wealth Management's Wrap Fee Program Brochure, as Appendix 1 of its Form ADV Part 2A.

### **Financial Planning and Consulting Services**

Either as part of its investment management services or on a stand-alone basis, Orgel Wealth Management offers clients a range of financial planning and consulting services on a non-discretionary basis, which may include any or all of the following functions:

- Investment planning
- Tax planning
- Estate planning
- Education expense planning
- Insurance planning
- Budget planning
- Cash flow forecasting
- Investment consulting
- Retirement planning
- Qualified and retirement plan analysis
- Business planning
- Mergers and acquisitions consulting

In performing these services, Orgel Wealth Management is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and fully relies on such information.

Orgel Wealth Management may recommend the services of itself or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage Orgel Wealth Management to provide additional fee-based services. Clients retain full discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Orgel Wealth Management under a financial planning or consulting engagement or to engage the services of any such recommended professionals, including Orgel Wealth Management itself. Clients are advised that it remains their responsibility to promptly notify Orgel Wealth Management of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Orgel Wealth Management's previous recommendations and/or services.

### **Retirement Plan Consulting Services**

Orgel Wealth Management provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and may include any or all of the following services:

- Plan design and strategy
- Plan review and evaluation
- Executive planning and benefits
- Investment advisement and review
- Plan fee and cost analysis
- Administrative/record keeping review
- Fiduciary and compliance
- Legal plan services
- Fiduciary education
- Participant education

Certain retirement plan services are provided by Orgel Wealth Management as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (ERISA). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Orgel Wealth Management's fiduciary status, the specific services to be rendered, and all direct and indirect compensation Orgel Wealth Management reasonably expects under the engagement.

### **Assets Under Management**

As of December 31, 2014, Orgel Wealth Management had \$3,070,533,222 in regulatory assets under management, all of which were managed on a discretionary basis. In addition, Orgel Wealth Management advised on \$607,006,717 in client assets on a non-discretionary basis through its retirement plan consulting services.

## **Item 5 – Fees and Compensation**

Orgel Wealth Management establishes the fees charged for servicing client accounts in the written advisory agreement between Orgel Wealth Management and the client. Fees are generally based on a percent of assets under management or advisement but may also be fixed or hourly, as described below, and may be subject to an annual minimum.

Orgel Wealth Management retains the discretion to negotiate fees on a client-by-client basis. Client circumstances, needs and facts will be considered in determining the fee. These include the complexity of the financial situation, the amount of assets to be placed under management or advisement, anticipated future additional assets, related accounts, portfolio style, and account composition, among other factors. Orgel Wealth Management may also modify its standard fee schedule from time to time. New schedules put into effect are generally applicable to new clients only and the fee schedule of existing clients is generally not affected by the new schedules. In addition, Orgel Wealth Management's legacy clients may have a different fee schedule based upon the preexisting relationship. Therefore, some clients may pay higher or lower fees than those currently in effect.

The client or Orgel Wealth Management may terminate the advisory agreement at any time by

written notice. If the relationship is terminated, the client will receive a prorated refund of any unearned advisory fee. Termination of an advisory agreement will not affect transactions that Orgel Wealth Management has initiated on the client's behalf prior to the effective date of such termination.

### **Investment Management Fee**

Orgel Wealth Management's current standard fee schedule for its investment management services is 0.50% per annum. Fees are paid monthly in advance and are calculated based on the value (i.e., market value or fair market value in absence of market value) of the client's account at the end of the previous billing period. Fees are directly deducted from the client's account and are generally inclusive of agreed upon financial planning and/or consulting services, as set forth in each client's advisory agreement. Fees under the Orgel Wealth Management Advisory Wrap Fee Program are also inclusive of brokerage commissions, transaction fees, and other related costs, as explained in depth in Orgel Wealth Management's Wrap Fee Program Brochure.

### **Financial Planning and Consulting Fee**

Clients who do not engage Orgel Wealth Management to provide investment management services will generally be charged a negotiable hourly and/or fixed fee for stand-alone financial planning or consulting services. The fee for the stand-alone services is largely determined by the scope and complexity of the agreed upon services. The specific terms and fee structure are negotiated in advance and set forth in the advisory agreement. Generally, Orgel Wealth Management requires one-half of the financial planning or consulting fee payable upon execution of the advisory agreement and the balance due at the time the financial plan is delivered or the underlying services are rendered to completion.

### **Retirement Plan Consulting Fee**

Orgel Wealth Management offers its retirement plan consulting services for a fee based on the level, complexity and scope of the services provided. Fees are generally based on a percent of assets under advisement and may be subject to an annual minimum. Fees are paid monthly in advance. Asset based fees are calculated based on the value (as valued by the plan's custodian or record keeper) of the plan assets at the end of the previous billing period. Fees are either directly deducted from the plan's assets or invoiced to the client, as set forth in each client's advisory agreement.

### **Other Fees and Expenses**

Clients may also incur additional fees outside of what Orgel Wealth Management charges, including, but not limited to, custodian fees, brokerage and transaction costs, proportionate mutual fund and

exchange-traded fund share fees and expenses as disclosed in the fund's prospectus, administrative fees, and wire transfer and electronic fund fees.

## **Item 6 – Performance-Based Fees**

Orgel Wealth Management does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7 – Types of Clients**

Orgel Wealth Management provides its services to individuals, families, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

### **Account Conditions**

Orgel Wealth Management generally imposes a minimum portfolio size of \$1,000,000 for new client relationships; however, Orgel Wealth Management, in its sole discretion, may accept clients with smaller portfolios based upon certain criteria, such as the amount of assets under management or advisement, anticipated future earning capacity, anticipated future additional assets, related accounts, account composition, preexisting client relationships, account retention and pro bono activities. It is Orgel Wealth Management's intent to consider the portfolios of all family members or the client relationship together in order to assess compliance with the minimum portfolio size.

As a condition for starting and maintaining an advisory relationship, Orgel Wealth Management generally imposes a minimum annual fee of \$4,000. This minimum fee may have the effect of making Orgel Wealth Management's services cost prohibitive for certain clients. Orgel Wealth Management, in its sole discretion, may waive or reduce its minimum annual fee based upon certain criteria, such as the amount of assets under management or advisement, anticipated future earning capacity, anticipated future additional assets, related accounts, account composition, preexisting client relationships, account retention, and pro bono activities.

Clients may make additions to and withdrawals from their account at any time, subject to Orgel Wealth Management's right to terminate an account. Orgel Wealth Management reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets upon notice to Orgel Wealth Management, subject to the usual and customary securities settlement procedures. However, Orgel Wealth Management designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Orgel Wealth Management may consult with its



clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to fees assessed at the product level and/or tax ramifications that are, in some instances, beyond Orgel Wealth Management's control.

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

Orgel Wealth Management's investment philosophy is anchored in the belief that a disciplined approach to asset allocation is essential to long-term portfolio growth and the mitigation of downside risk.

### **Methods of Analysis**

Orgel Wealth Management primarily utilizes a combination of fundamental and technical analysis when evaluating investment opportunities. Fundamental analysis involves developing an understanding of the philosophy of management, evaluating the fundamental financial condition of the investment, and assessing the competitive position of the investment. For Orgel Wealth Management, when evaluating funds, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of Orgel Wealth Management's model asset allocations. A general risk in relying upon fundamental analysis is that while the overall philosophy, health and position of an investment may appear sound, evolving market conditions may negatively impact the investment. Technical analysis involves the examination of past market data, rather than structural or competitive characteristics of the investment. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than investment fundamentals. A general risk in relying upon technical analysis is that spotting historical trends may not aid in predicting such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Orgel Wealth Management will be able to accurately predict such a reoccurrence.

Orgel Wealth Management's methods of analysis relating to fixed income products generally include, but are not limited to, sector selection, maturity or yield curve positioning, credit quality, relative value and security selection.

### **Investment Strategies**

Orgel Wealth Management develops a strategic asset allocation framework based on each client's investment objectives, risk tolerance, and time horizon to determine an overall asset allocation.

Orgel Wealth Management tactically manages around this strategic asset allocation framework, within parameters, when it believes there is an opportunity to overweight or underweight particular asset classes.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. There is no assurance that a client account will meet its investment objective. Clients may lose a significant part of the value of their account and their account may not perform as well as other similar investments. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisers, market indices, or investment products. Risks that client accounts may be subject include, but are not limited to, the following:

*Market Risk.* The price of a security or the value of an entire asset class can decline for a variety of reasons outside of Orgel Wealth Management's control, including, but not limited to, changes in the macroeconomic environment, unpredictable market sentiment, forecasted or unforeseen economic developments, changes in interest rates, regulatory changes, and domestic or foreign political, demographic, or social events.

*Advisory Risk.* There is no guarantee that Orgel Wealth Management's judgment or investment decisions about particular securities or asset classes will produce the intended results or that the investment techniques of Orgel Wealth Management will be successful. Orgel Wealth Management's judgment may prove to be incorrect, and a client might not achieve their investment objectives.

*Asset Allocation Risk.* The performance of client accounts will depend in part on Orgel Wealth Management's ability to anticipate the potential returns and risks of and correlation between the asset classes in which client accounts are invested. At times or for extended periods, asset classes or the investment markets in general may not perform as Orgel Wealth Management anticipated. There is a risk that certain asset allocation decisions may not achieve the desired results, and as a result, a client's portfolio could incur significant losses.

*Mutual Fund Risk.* Investing in mutual funds is subject to risks affecting the investment company, including the possibility that the value of the underlying securities held by the investment company could decrease. Mutual funds are also subject to investment advisory and other expenses, which are indirectly paid by the shareholders. The net asset value of fund shares will fluctuate for many reasons including, but not limited to, responses to changes in market and economic conditions, as well as the performance of the underlying securities held by the mutual fund. Mutual

funds with alternative investment strategies may have additional risks than traditional mutual funds as they typically hold more non-traditional investments and employ more complex trading strategies. Information on a specific mutual fund's risk can be found in the fund's prospectus and statement of additional information.

*Exchange-Traded Fund Risk.* Exchange-traded funds (ETFs) are subject to a fund's management's ability to manage the underlying securities to meet the fund's stated investment objectives. ETFs may also trade at a discount to their net asset value in the secondary market. The structure of an ETF is such that most ETFs' market prices tend to track the fund's respective net asset value closely, but this may not always be the case, particularly during periods of extreme market volatility. Most ETFs are designed to track a specified market index; however, in some cases an ETF's return may deviate from the specified index. Certain ETFs are actively managed and are subject to management risk. ETFs with alternative investment strategies may have additional risks than traditional ETFs as they typically hold more non-traditional investments and employ more complex trading strategies. Information on a specific ETF's risk can be found in the fund's prospectus and statement of additional information.

*Equity Securities Risk.* Investments in equity securities (e.g., common stocks, preferred stocks, convertible securities, rights, warrants, and depositary receipts) are generally subject to greater price volatility than fixed income securities. Equity securities are susceptible to market fluctuations and to volatile increases and decreases in value, based on factors such as the earnings of the issuer, investors' confidence in and perceptions of the issuer, and on general industry and market conditions. Investments in common stocks are subject to the risk that in the event of a company's liquidation, the holders of preferred stock and creditors will be paid in full before any payments are made to holders of common stocks. Foreign equity securities have additional risks including geopolitical, financial transparency, currency, regulatory, and liquidity risk.

*Fixed Income Risk.* Fixed income securities, such as notes and bonds, are subject to certain risks including interest rate risk and credit risk. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt securities. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. If the credit quality rating or the issuer's financial condition declines, so may the value of the investment product. Fixed income securities are also subject to maturity risk. Generally, the longer a bond's maturity, the greater the interest rate risk and the higher its yield. Conversely, the shorter a bond's maturity, the lower the interest rate risk and the lower its yield. Non-rated, split-rated, below investment grade, and asset-backed securities, including mortgage-backed and collateralized mortgage obligations have additional, special risks.

*Municipal Securities Risk.* Municipal securities are subject to the risk that the municipality may be unable or unwilling to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax-free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer are domiciled.

*Concentration Risk.* Orgel Wealth Management seeks to employ a broad diversification strategy. There may be times when one industry, sector, or company is more heavily weighted than others. In such an instance, there is the possibility that negative performance of the heavily weighted segment of the portfolio will have a greater impact on the overall performance of a client's portfolio. Concentrated holdings may offer the potential for higher gains, but also bear the potential for significant loss.

*Liquidity Risk.* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many investors are interested in a product. For example, Treasury Bills are highly liquid, while real estate properties are not. Liquidity risk exists when particular investments are difficult or impossible to sell at the desired time and price. Certain investments may have increased liquidity risk, such as privately placed investments and alternative funds, auction rate securities, and certain debt and derivative instruments.

*Privately Placed Investments Risk.* In limited circumstances, Orgel Wealth Management may use or recommend certain privately placed investment vehicles (e.g., hedge funds and private equity funds) for client portfolios. Privately placed investments are generally complex, have unique tax characteristics, and involve significant or special risks, including, but not limited to, portfolio investment risk, leverage risk, market and valuation risk, conflicts of interest risk, price volatility risk, liquidity risk, interest rate risk, dependence on key personnel, and structural and regulatory risk. As a result, investments in these vehicles are not suitable for all clients. A client invested in these funds could lose all or a substantial portion of their investment. Investors should carefully read the private placement memorandum and other offering documents and carefully assess the privately placed investment vehicle before investing.

*Options and Futures Risk.* Options, futures and other derivatives involve risks and are not suitable for all investors. The values of these investments are derived from the underlying asset and may fluctuate more than other investments, which may result in an unexpected decline in a portfolio's value. Such trading can be speculative in nature and carry substantial risk of loss, including the loss of principal.

## **Item 9 – Disciplinary Information**

Orgel Wealth Management has not been involved in any material legal or disciplinary event.

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

Orgel Wealth Management is not engaged in any other financial industry activities and does not have any affiliations that are otherwise material to its advisory business.

Certain clients of Orgel Wealth Management have investments in a private fund that is managed by an entity (Manager) that Mark Orgel has an equity interest. The private fund pays a management fee to the Manager. The Manager also receives a percentage of net distributable proceeds, if any, attributable to the private fund. This could create a conflict of interest as Mark Orgel may have a financial incentive to recommend an investment in the private fund to clients because of the management fees and net distributable proceeds received by the Manager. In order to address this conflict of interest, Orgel Wealth Management has adopted a code of ethics that requires all supervised persons to put clients' interests ahead of their own. In addition, Orgel Wealth Management has reviewed the private fund's offering documents and the management agreement (between the private fund and Manager) and whether the fund investment is appropriate for each client investor. Mark Orgel is also a member of a private fund that is managed by the fund's members, of which certain clients are also members either directly or indirectly. An investment in these private funds may not be a suitable investment for every client.

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

### **Code of Ethics**

Orgel Wealth Management has adopted and maintains a code of ethics (Code of Ethics) that imposes standards of business conduct and personal trading policy to all employees, officers and directors of Orgel Wealth Management. As fiduciaries, Orgel Wealth Management and all of its employees, officers and directors have a duty of utmost good faith to act solely in the best interests of clients. This fiduciary duty requires all employees, officers and directors to act with integrity in all dealings. The Code of Ethics provides specific guidance in the areas of disclosure of conflicts of interest, acceptance of gifts, personal securities transactions, prohibited transactions, prohibition on insider trading, and others. Existing or prospective clients may obtain a copy of the Code of Ethics by contacting Orgel Wealth Management.

### **Participation or Interest in Client Transactions**

Employees of Orgel Wealth Management may buy or sell securities that are also used or recommended for client accounts, so long as the transaction is performed in a manner consistent with the Code of Ethics. The Code of Ethics generally prohibits employees from engaging in a security transaction if the security is being actively purchased or sold on behalf of any client account.

Mark Orgel invests in private funds that certain clients also invest in either directly or indirectly. Mark Orgel may also recommend private funds to certain clients that he invests in and/or has an equity interest. This could create a conflict of interest as Mark Orgel may have a financial incentive to recommend an investment in such private funds to clients, as described in Item 10 above. Orgel Wealth Management has adopted a Code of Ethics that requires all supervised persons to put clients' interests ahead of their own. In addition, Orgel Wealth Management reviews whether such fund investments are appropriate for each client investor. An investment in the private funds may not be a suitable investment for every client.

### **Personal Trading**

To ensure that employees do not take advantage of the knowledge of which securities are being purchased and sold on behalf of clients, the Code of Ethics imposes restrictions on employee personal securities transactions. The Code of Ethics requires employees to obtain pre-approval from the Chief Compliance Officer for certain security transactions and to also report personal transactions and holdings in accordance with the reporting requirements of the Code of Ethics. Personal transactions are also reviewed by compliance and/or designated personnel, which may include third party service providers.

## **Item 12 – Brokerage Practices**

Orgel Wealth Management has established a relationship with Pershing, LLC (Pershing), an unaffiliated registered broker-dealer and qualified custodian, to provide brokerage and other advisory support services to Orgel Wealth Management. Through this relationship, Orgel Wealth Management is able to obtain many mutual funds without transaction charges and other securities at nominal transaction charges, and receive transaction services that are useful in managing client accounts, among other things. Other economic and non-economic benefits Orgel Wealth Management receives or has received through its relationship with Pershing are described below under Software and Other Support.

Orgel Wealth Management generally recommends that clients utilize the brokerage and custodial services of Pershing for investment management services. This could create a conflict of interest, in that Orgel Wealth Management may be influenced to recommend Pershing because of the economic benefits it receives or has received from Pershing. However, Orgel Wealth Management has adopted a Code of Ethics to address any such conflicts. Factors Orgel Wealth Management considered in selecting Pershing to recommend to clients were based on Pershing's respective financial strength, reputation, competitive transaction charges, trading platform, on-line services for account administration, and operational support.

Orgel Wealth Management typically uses Pershing to execute and clear trades in client accounts, which could create a conflict of interest because Orgel Wealth Management may be influenced by the economic benefits it receives or has received from Pershing. However, the benefits received do not depend upon the trades or trade volume Orgel Wealth Management directs to Pershing. Pershing enables Orgel Wealth Management to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transactional charges. In addition, Orgel Wealth Management has a duty to seek "best execution." In seeking to achieve best execution from broker-dealers, including Pershing, Orgel Wealth Management considers, among other things and as applicable, the reputation of the broker-dealer, quality of execution services, value of research provided to Orgel Wealth Management, the broker-dealer's responsiveness, the commission rate or spread involved, and the broker-dealer's available inventory. Thus, the commissions and/or transaction fees charged by Pershing or other broker-dealers used by Orgel Wealth Management may be higher or lower than those charged by other broker-dealers for any particular trade. Orgel Wealth Management periodically reviews its policies and procedures regarding its selection of broker-dealers in light of its duty to obtain best execution.

### **Trade Aggregation and Allocation**

Trades for each client are generally effected independently. However, Orgel Wealth Management may aggregate transactions in the same security on behalf of more than one client in an effort to strive for the best execution and/or execution price or costs to clients. Aggregated orders may reduce the transaction costs to participating clients, and any such aggregation will be designed to ensure that no participating client is favored over another client. Generally, participating clients will receive the same average price for the security executed that day. Employee accounts may be included in aggregated orders provided they do not receive more favorable treatment than other clients participating in the order. To the extent the aggregated order is not filled in its entirety, securities purchased or sold in an aggregated transaction will generally be allocated on either a pro rata or random basis among the clients participating in the order. Employee accounts are excluded

or last in receiving allocations in the case of partially filled orders. Orgel Wealth Management does not receive any additional compensation or remuneration as a result of an aggregated order.

### **Trade Errors**

As a fiduciary, Orgel Wealth Management has the responsibility to effect trade orders correctly, promptly, and in the best interests of clients. In the event a trade error occurs in the handling of any client transactions due to Orgel Wealth Management's actions, or inaction, or actions of others, Orgel Wealth Management's policy is to seek to identify and correct any errors as promptly as possible without disadvantaging the client. If the error is the fault of Orgel Wealth Management, the client's account is restored to the position it was in immediately prior to the error by moving the respective transaction to Orgel Wealth Management's trade error account. Thus, the client's account will be made whole and not incur any loss or gain as a result of the error. If the broker-dealer is responsible for the error, Orgel Wealth Management will take necessary steps under the circumstances to see that the appropriate correction is made by the broker-dealer.

Gains, as a result of a trade error that is corrected in Orgel Wealth Management's trade error account, are used together with any necessary funds contributed by Orgel Wealth Management in correcting trade errors that result in losses. If the amount in Orgel Wealth Management's trade error account at the end of a calendar year results in a net gain of \$100 or over, Orgel Wealth Management will donate the amount to charity.

### **Software and Other Support**

Through its relationship with Pershing, as described above, Orgel Wealth Management receives economic and non-economic benefits. These benefits include, but are not necessarily limited to: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Pershing participants; access to block trading which provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts; the ability to have investment advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; and access to mutual funds with no transaction fees.

Orgel Wealth Management may also receive from Pershing, without cost to Orgel Wealth Management, computer software and related systems support, which allow Orgel Wealth Management to better monitor client accounts maintained at Pershing. The software and related support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Orgel Wealth Management, but not its



clients directly. In fulfilling its duties to its clients, Orgel Wealth Management endeavors at all times to put the interests of its clients first.

In addition, when establishing the relationship in 2013, Pershing provided Orgel Wealth Management with \$70,000 in credits to be used towards certain transition related marketing expenses, including advertising, promotion, branding, etc. and an additional \$15,000 in credits to be used towards certain transition related technology expenses. These reimbursements could create a conflict of interest because Orgel Wealth Management may be influenced from receiving such economic benefits from Pershing in recommending Pershing to clients. However, Orgel Wealth Management has adopted a Code of Ethics and other policies that preclude such activities.

### **Item 13 – Review of Accounts**

Orgel Wealth Management monitors investment management client accounts on at least a quarterly basis. Client accounts that receive financial planning and/or consulting services are generally reviewed on an as needed basis or as agreed to with the client; such reviews may be triggered by a plan or consulting update, a client event, or changes in the client's circumstances. Account reviews are conducted by advisory representatives. All advisory clients are encouraged to discuss their needs, goals, and objectives with Orgel Wealth Management and to keep Orgel Wealth Management informed of any changes.

Clients receiving investment management services receive written reports at least quarterly that typically show current account size, account holdings, investment performance, and the investment performance of one or more relevant benchmarks. Clients receiving financial planning and/or consulting services typically receive reports summarizing Orgel Wealth Management's analysis and conclusions, as requested by the client or as otherwise agreed to in writing.

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

Orgel Wealth Management currently does not compensate any person for client referrals.

#### **Other Economic Benefits**

As discussed in Item 12 above, Orgel Wealth Management receives or has received certain support services, including technology, marketing reimbursement, and transition support, from Pershing through its relationship with Pershing. These economic benefits may represent a conflict of interest by influencing Orgel Wealth Management to recommend Pershing to clients. However, Orgel Wealth Management has adopted a Code of Ethics and other policies that preclude such activities.

## **Item 15 – Custody**

Client funds and securities are maintained and held with the client's qualified custodian. Orgel Wealth Management does not maintain, and will not accept, custody of client funds or securities, and will seek to take such actions as necessary to avoid being deemed to have custody of client funds or securities. However, Orgel Wealth Management is considered to have custody to the extent it may deduct advisory fees directly from a client's account.

Clients receive quarterly account statements directly from the custodian that maintains their assets. Orgel Wealth Management strongly urges its clients to compare the account statements they receive from their custodian with the statements they receive from Orgel Wealth Management. Comparing statements will allow clients to confirm that account transactions, including deductions of advisory fees, are accurate and proper.

## **Item 16 – Investment Discretion**

Orgel Wealth Management provides investment management services on a discretionary basis. Clients that receive investment management services enter into a written advisory agreement with Orgel Wealth Management granting it full discretionary authority. In granting this discretionary authority, there is no limitation on Orgel Wealth Management's authority to select securities or the amount of securities to purchase or sell. However, clients may impose reasonable restrictions, as discussed above in Item 4.

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

Orgel Wealth Management may accept the authority to vote proxies on a client's behalf. In these cases, Orgel Wealth Management has retained the proxy voting services of Broadridge Financial Solutions, Inc. (Broadridge), an unaffiliated third party service provider. Broadridge receives the proxy voting materials, votes proxies pursuant to guidelines selected by Orgel Wealth Management that are offered on Broadridge's platform, and makes the proxy voting record available to Orgel Wealth Management and its clients. Orgel Wealth Management has adopted the Egan-Jones voting principles and guidelines, which embody the positions and factors Orgel Wealth Management generally considers important in casting proxy votes. Applicable clients may request information regarding how their proxies were voted, and may also request a copy of Orgel Wealth Management's proxy voting policies and procedures and those of its service provider, by contacting Orgel Wealth Management. Clients that elect to vote their securities should instruct their custodians to deliver directly to them all proxies and other solicitations.

Orgel Wealth Management also retains Broadridge to monitor and process securities class action claims on behalf of clients. For its services, Broadridge charges a contingency fee of 20% of the amount recovered from a successful class action settlement, which is deducted from a client's award at the time of payment. Orgel Wealth Management does not receive any portion of any amount recovered on behalf of clients. Broadridge's contingency fee is subject to change. Clients may opt out of the service at any time.

## **Item 18 – Financial Information**

Orgel Wealth Management does not have any financial conditions reasonably likely to impair its ability to meet its contractual commitments to its clients.