

# Form ADV Part 2A Brochure

Werth Wealth Advisors, LLC

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November 20, 2015

This Brochure provides information about the qualifications and business practices of Werth Wealth Advisors, LLC (WWA). If you have any questions about the contents of this Brochure, please contact us at (785) 628-1712. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

WWA is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information from which you can determine whether to hire or retain an adviser.

Additional information about WWA is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This Brochure, dated November 20, 2015, represents the initial Brochure for Werth Wealth Advisors, LLC.

In the future, this Item will discuss only specific material changes that are made to the Brochure and will provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure. All such information will be provided to you free of charge.

Currently, our Brochure may be requested by contacting us at (785) 628-1712.

Additional information about WWA is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with WWA who are registered as investment adviser representatives of the firm.

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#### **Item 4 – Advisory Business**

Werth Wealth Advisors, LLC (“WWA”) is registered as an investment adviser with the United States Securities and Exchange Commission (CRD # 282020). WWA is based in and organized as a Limited Liability Corporation under the laws of the State of Kansas and the United States of America. The firm was established in 2015 and currently has 10 affiliated employees.

WWA’s principal office and place of business is located at 1200 Main Street, 6<sup>th</sup> Floor, Hays, Kansas 67601. Regular business hours are from 8:00am to 5:00pm Central Time Monday through Friday. The firm can be contacted at that location by phone at (785) 628-1712 and by fax at (785) 628-2022.

Timothy Werth serves as WWA’s Chief Executive Officer and Chief Compliance Officer. Jeffery Dinkel serves as the firm’s Chief Financial Officer.

WWA is wholly owned by Werth Wealth Management, LLC (“WWM”). Timothy Werth is WWM’s majority owner, and Jeffery Dinkel is a minority owner.

WWA provides ongoing discretionary and non-discretionary portfolio management services to businesses, charitable organizations, endowments, estates, families, foundations, individuals, and trusts. When providing portfolio management services, the firm not only makes recommendations related to investments, but also implements these recommendations and provides ongoing monitoring and reporting. Clients may elect to give the firm discretion to make all decisions (discretionary management), or may prefer to approve all decisions before implementation (non discretionary management).

WWA also provides ongoing investment advisory services to individuals, families and businesses where the firm makes ongoing investment recommendations but the client is responsible for determining whether or not to implement recommendations, and if they decide to do so, are responsible for actual implementation.

Additionally, the firm provides project oriented and ongoing financial planning services to individuals and families where the firm offers advice or other strategic assistance in areas such as education funding, retirement planning, estate planning, risk management, employee benefits planning, tax planning, etc. When engaged to provide financial planning assistance, clients are responsible for determining whether or not to implement a recommendation, and if they decide to do so, are responsible for actual implementation. The actual details of an engagement vary on a case by case basis depending on the complexity of the client’s financial situation. Generally however, an engagement involves

identification of goals and objectives, collection and analysis of data, formulation of a strategy, and preparation of a written plan.

WWA also provides retirement plan services to businesses which may include plan level services such as discretionary management services, non-discretionary management services, and investment advisory services related to different types of retirement plans. When providing management services, the firm is responsible for implementing recommendations. When the firm is providing advisory services, the client is responsible for implementation of recommendations.

Regardless of the services provided, each is tailored to the individual needs of a particular client (whether an individual, a family, or a business) through an assessment conducted prior to an engagement. Clients may impose restrictions related to the level of discretion granted, the types of investments used, etc. Terms of an actual engagement, including description of service, limitations and restrictions, fees, etc., are all detailed before any engagement begins in a written client agreement.

As of November 20, 2015, WWA was a new firm and consequently had no assets under management. However, as of that date, the firm's owners, Mr. Werth and Mr. Dinkel, served as registered representatives of a broker/dealer, VSR Financial Services, Inc. and as investment adviser representatives of their broker/dealer's corporate registered investment advisory firm. At which point in time, they provided investment management and or oversight related to approximately \$650,000,000 in client assets.

## **Item 5 – Fees and Compensation**

### **Investment Management Services**

Fees charged for discretionary and non discretionary investment management services are generally charged in advance and are based on total assets under management according to the following schedule:

<u>Market Value of Assets Under Management</u>	<u>Annual Fee</u>
Up to \$3,000,000	1.00%
\$3,000,001 - \$5,000,000	0.75%
Assets over \$5,000,000	0.50%

Fees may be negotiable however depending on complexity of engagement and or other factors.

Fees are generally calculated on a quarterly basis in advance based on period end balances, and are deducted directly from client accounts.

Fees for partial periods are prorated. Upon termination, any payments made in advance will be prorated and refunded to the client.

All management fees paid to WWA are separate and unrelated to any fees or expenses assessed by mutual funds or exchange traded funds, or to any trade commission charged by an account custodian. Information pertaining to fund-generated fees and expenses can be found in mutual fund and exchange traded fund prospectuses.

### **Investment Advisory Services**

Fees charged for advisory services may be charged in advance or in arrears depending on the service provided. Fees are quoted in advance, generally range from .50% to 1.50% annually and may be negotiable. Fees are based on actual services provided rather than being based on the level of assets managed as detailed above for investment management services.

In some cases, fees may be deducted directly from client accounts, but clients generally are billed directly on a quarterly basis.

Fees for partial periods are prorated. Upon termination, any payments made in advance will be prorated and refunded to the client.

All advisory fees paid to WWA are separate and unrelated to any fees or expenses assessed by any broker, custodian, or other outside party.

### **Financial Planning Services**

Fees charged for financial planning services are quoted in advance and charged at a fixed amount. Quoted fixed fees will be based on the complexity and level of service provided on a case by case basis. As mentioned above, services may include planning in areas such as education funding, retirement planning, estate planning, risk management, employee benefits planning, tax planning, etc. Since each of these areas can vary in complexity depending on the client's financial situation, cost will vary as well. Fees are negotiable depending on the circumstances of the engagement, location, etc.

Fees are generally billed directly to the client in arrears, although a portion may be billed in advance.

Projects terminated before completion will be prorated. Upon termination, any payments made in advance will be prorated and refunded to the client.

All financial planning fees paid to WWA are separate and unrelated to any fees or expenses assessed by any broker, custodian, or other outside party.

### **Retirement Plan Services**

Fees charged for retirement plan services may be charged in advance or in arrears depending on the service provided. Fees may be fixed or asset based (not to exceed 1.00% annually), and are negotiable depending on the complexity of the service. Fee levels (whether fixed or asset based) are primarily based on actual services to be provided.

Fees may be deducted directly from client accounts on a quarterly basis, or clients may elect to alternatively pay fees by check or wire transfer.

Fees for partial periods are prorated. Upon termination, any payments made in advance will be prorated and refunded to the client.

All retirement plan fees paid to WWA are separate and unrelated to any fees or expenses assessed by any broker, custodian, or other outside party.

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

WWA does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), and consequently does not simultaneously manage performance based and non performance based accounts.

### **Item 7 – Types of Clients**

WWA provides portfolio management and advisory services to businesses, charitable organizations, endowments, estates, families, foundations, individuals, and trusts .

The minimum account size is generally \$100,000 for non discretionary accounts and \$500,000 for discretionary accounts, but is subject to waiver in certain circumstances.

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

WWA's general investment strategy is to build portfolios tailored to their client's needs that are consistent with their risk tolerance and that seek reasonable investment returns over complete market cycles.

To implement this strategy, we typically recommend the use of individual stocks, individual bonds, and government securities, but may also use no-load mutual funds, exchange traded funds (ETF's), and other types of securities.

Using our custodian's platform and other research sources, we conduct our own research and perform our own due diligence in order to identify and evaluate securities which we feel would be appropriate to be represented in our portfolio models. We then assist the client in developing an actual investment allocation that matches their needs. We may also utilize model portfolios which have been constructed by us for use with smaller accounts.

Of course, investing in securities involves risk of loss that clients should be prepared to bear. These risks include market risk, interest rate risk, currency risk, and political risk, among others. No investment strategy, nor the use of a third party manager, can assure a profit or avoid a loss.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of the firm or the integrity of its management. WWA is currently not subject to, nor has ever been subject to, any legal or disciplinary events of a material nature.

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

WWA is wholly owned by Werth Wealth Management, LLC ("WWM"), a holding company owned by Timothy Werth and Jeffery Dinkel.

Some employees of WWA may also be Registered Representatives of VSR Financial Services, Inc. ("VSR"), a FINRA registered securities broker-dealer. When acting in this

capacity, these individuals may make securities transactions for individuals and entities who may also be clients of WWA.

If securities transactions are made, these individuals may receive the customary commissions paid in connection with the securities transactions made. Such commissions will be paid directly to the individual by VSR.

The receipt of commissions from these transactions of course may create an incentive to recommend that you purchase certain securities based on our interests rather than yours, which is a potential conflict of interest. However, our clients are under no obligation to purchase products recommended by our associated persons or to purchase products through our associated persons. We believe, however, that our recommendations are in the best interests of our clients, and are consistent with our clients' needs.

Some employees also provide insurance products through various insurance providers. In this capacity, these employees may recommend insurance products, and receive transaction compensation if products are purchased. Thus, a conflict of interest may exist between the interests of the employee and those of the client. However, clients are under no obligation to act upon any insurance recommendations or to make any insurance transactions.

## **Item 11 – Code of Ethics**

### **Code of Ethics**

WWA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. WWA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and details practices for reviewing the personal securities transactions of supervised persons with access to client information. The Code also requires compliance with applicable securities laws, addresses insider trading, and details possible disciplinary measures for violations. WWA will provide a complete copy of its Code of Ethics to any client upon request to the Chief Compliance Officer.

### **Trading Conflicts of Interest**

Individuals associated with WWA are permitted to buy or sell securities for their personal accounts identical to or different than those recommended to clients. However, no person employed by WWA is allowed to favor his or her own interest over that of a client or make

personal investment decisions based on the investment decisions of advisory clients.

In order to address potential conflicts of interest, WWA requires that associated persons with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. WWA also requires prior approval from the Chief Compliance Officer for investing in any IPOs or private placements (limited offerings).

## **Item 12 – Brokerage Practices**

### ***The Custodians and Brokers We Use***

WWA does not maintain custody of client assets. Instead, we require all client assets be maintained in an account at a non affiliated “qualified custodian,” generally a broker-dealer or bank. The qualified custodian we generally use is Charles Schwab & Co., Inc., a registered broker-dealer and member of the Financial Services Regulatory Authority (FINRA), and an SEC registered investment adviser, although other custodians may be used subject to WWA’s approval.

While we may recommend that you use a particular custodian or broker, you will ultimately decide whether to do so and will open your account by entering into an account agreement directly with them. We do not actually open accounts for you, although we can assist you in doing so.

### ***How We Select Custodians and Brokers***

In determining whether to associate with a custodian or broker for our advisory client accounts, we consider many different factors including quality of service, types of services offered, overall capability, execution quality, competitiveness of transaction costs, availability of investment research, reputation and stability of the firm, and their financial resources, and stability, among other things. In determining the reasonableness of a broker’s compensation, we consider the overall cost to you relative to the benefits you receive, both directly and indirectly, from the broker.

### **Your Brokerage and Custody Costs**

Our clients receive various services directly from our custodians and our brokers. For our clients' accounts that they maintain, our primary custodian and our brokers generally do not charge separately for custody services.

Our primary custodian is compensated by charging commissions or other fees on trades that they execute or trades that are executed by other brokers to and from our client accounts. Fees applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a certain level of assets at our custodian. We feel this commitment benefits you because the overall rates you pay may be lower than they might be otherwise.

Since our primary custodian charges you a fee for each trade that we have executed by a different broker-dealer, we have them execute most trades for your account in order to minimize your trading costs.

We feel that having our custodians or broker execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means seeking the most favorable terms for a transaction based on all relevant factors, including those listed above.

#### Products and Services Available to Us From Brokers/Custodians

Our custodians and our brokers provide us and our clients with access to institutional brokerage services like trading, custody, reporting, and related services, many of which may not be typically available to retail customers. Our custodians and brokers may also make available various support services, some of which may help us manage or administer our clients' accounts, while others may help us manage and grow our business.

Our custodians' and brokers' institutional brokerage services which benefit you directly may include access to a broad range of investment products, execution of securities transactions, and asset custody. The investment products available through them include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

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

software and other technology that provide access to client account data, facilitates trade execution for multiple client accounts, provides pricing and other market data, facilitates payment of our fees from our clients' accounts, and assists with back-office functions, recordkeeping, and client reporting.

Our primary custodian and brokers also offer other services intended to help us manage and further develop our business. These services include educational conferences and events, consulting on technology, compliance, legal, and business needs, publications and conferences on practice management and business succession, and access to employee benefits providers, human capital consultants, and insurance providers.

The availability of these services from our custodians and brokers benefits us because we do not have to produce or purchase them. Of course, this may give us an incentive to recommend that you maintain your account with one of them based on our interests rather than yours, which is a potential conflict of interest. We believe, however, that our selection of our custodians and our brokers is in the best interests of our clients, and is primarily supported by the scope, quality, and price of their services that benefit you and not the services that benefit only us.

### **Aggregation of Transactions**

WWA may, from time to time, aggregate client orders into blocks in order to facilitate more efficient account management and execution. When aggregating orders, an average price is given to all participants in the block, or other measures are taken, in order to treat all accounts fairly.

## **Item 13 – Review of Accounts**

### Review of Accounts

Managed accounts are supervised on an ongoing basis by the primary account representative. In addition, the primary account representative generally conducts a quarterly review for each account to help ensure that investment and investment strategies remain consistent with each client's objectives and financial situation. Additional client reviews may be triggered by a specific client request, or by a change in market or economic conditions.

Reviews for other advisory or consulting relationships vary depending on the scope of the relationship, and are determined contractually.

All clients are advised that it remains their responsibility to advise us of any changes in their investment objectives and or financial situation.

#### Reports Provided to Clients

Custodians are responsible for providing clients with account statement no less frequently than quarterly. WWA may also provide other reports to clients as agreed upon by the parties.

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

WWA receives economic benefits from our custodians in the form of the support products and services that are made available to us and to other independent investment advisors. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 above. The availability to us of our custodian's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

WWA does not pay or receive referral fees.

### **Item 15 – Custody**

As mentioned above, we do not hold client assets but instead require that they be held by a third party "qualified custodian." We may, however have limited control in some instances to trade on your behalf, to deduct our advisory fees from your account with your authorization, or to request disbursement to you.

You will receive account statements directly from your custodian at least quarterly, which will be sent to the email or postal mailing address you provided. We urge you to carefully review these custodial statements when you receive them and to compare them to reports you receive from us.

## **Item 16 – Investment Discretion**

WWA will accept discretionary authority to manage securities accounts on behalf of clients, although WWA will also accept non discretionary accounts.

When granted authority to manage accounts, WWA customarily has the authority to determine which securities and the amounts that are bought or sold, when they are to be bought or sold, etc., without prior consultation with the client. Any discretionary authority accepted by WWA however is subject to the client's risk profile and investment objectives, and may be limited by any other limitations provided by the client in writing.

WWA will not exercise any discretionary authority until it has been given authority to do so in writing. Such authority is granted in the written agreement between WWA and the client, and in the written agreement with the third party custodian.

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

WWA does not vote proxies on behalf of clients. We may provide advice and answer questions related to the proxies, but the ultimate decisions on how to vote proxies are left to the client.

## **Item 18 – Financial Information**

Registered investment advisers are required in some cases to provide certain financial information and or disclosures about financial condition. For example, if the firm requires prepayment of fees for six months in advance, has custody of client funds, or has a condition that is reasonably likely to impair its ability to meet its contractual commitments to its clients, it must provide financial information and or make certain disclosures.

WWA has no financial or operating conditions which trigger such additional reporting requirements.