
Item 1 – Cover Page



Form ADV Part 2, Appendix 1

Wrap Fee Brochure

December 31st, 2015

Wilbanks Securities Advisory

4334 N.W. Expressway, Suite 222

Oklahoma City, OK 73116

405-842-0202 Ext. 2

WWW.WILSEC.COM

In accordance with Securities and Exchange Commission (SEC) Rule 204-3, this Wrap fee Program Brochure provides information about the qualifications and business practices of Wilbanks Securities Advisory, the “ADVISER” and its Wrap fee Programs. If you have any questions about the contents of this Brochure, or to request a current brochure free of charge, please contact us at 405-842-0202 Ext. 2 and/or at the email address of Steve.Sharpe@wilsec.com. Our Firm Brochure is also available on our web site www.wilsec.com also free of charge.

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.

Wilbanks Securities Advisory is a registered investment adviser, “Adviser”. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information to determine to hire or retain an Adviser. Additional information about Wilbanks Securities Advisory also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

There are no material changes as this is the firm's initial Wrap fee Brochure Disclosure document.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	i
Item 3 - Table of Contents.....	iii
Item 4 – Services, Fees and Compensation.....	1
Item 5 - Account Requirements and Types of Clients	5
Item 6 – Portfolio Manager Selection and Evaluation	6
Item 7 – Client Information Provided to Portfolio Managers.....	8
Item 8 – Client Contact with Portfolio Managers	8
Item 9 – Additional Information.....	8

Item 4 – Services, Fees and Compensation

A. Wrap fee Money Management Services

Wilbanks Securities Advisory (WSA), through its representatives, offers primarily financial planning and investment management to the public. This brochure discusses only the firm's Wrap fee money management programs. For information regarding the firm's Financial Plan services, please request a WSA Firm Brochure from your representative or you can find one on our web-site listed above.

WSA offers programs where one fee is charged to a client that compensates an adviser or money manager for services and also covers the expense of all trading costs. These programs of the firm meet the definition of a "Wrap fee Program" as the securities transaction charges are "wrapped" into the fee. As such, for Wrap-Fee prospective and current clients of the firm, they require a "Wrap Fee Brochure" disclosure document in lieu of the firm's disclosure brochure. This document constitutes WSA's Wrap Fee brochure, and it is designed to provide you with necessary information to make an informed decision regarding using the firm and its representative(s) to invest and manage your investments.

Based on the client's financial plan and/or risk analysis, needs and goals assessment, as well as the use of an Investment Policy Statement in many cases, Representatives of WSA develop, recommend and implement client investment portfolios and manage these investments over time per a fee agreement signed by the client. WSA's Wrap fee Programs are described here.

The firm currently has two wrap fee programs:

1. **Balanced Income and Growth:** Client accounts are managed to correlate various investments and allocate these to the client investment time horizon (the length of time clients want to invest money) and to the client's risk tolerance. Specific attention is given to current income considerations as well as inflation indexing wherein the growth opportunity component is applicable.

Debt instruments, bonds, and other fixed income investments including bond funds are employed in this program along with income focused equity positions for a balanced investment approach. The percentage mix between bonds, income equity positions and other investments will differ among clients depending on the tolerance for risk and other factors.

The portfolio is generally fully invested, but may not be fully invested at times of increased market risk. WSA generally develops a balanced client portfolio in this program and they remain fully invested depending on the circumstances such as the client's risk tolerance, investment horizon and the economic outlook and other factors. However, WSA reserves the right to move investments to safer alternatives in times of rising interest rates and periods of economic distress.

Bonds, bond funds, and fixed income securities contain default and interest rate risk as well as other risks of investment losses. Stocks contain significant risks of loss, risks that are both internal and unique to a particular company and external to the economy. Stock funds are diversified but contain great risks of loss subject to recessions, downturns, market swoons and the level of fund management ability. This program is subject to full market and economic risk as it is normally a fully invested, buy and hold investment approach. Client investment losses may occur over extended periods, particularly in times of great economic weakness or in times of rising interest rates.

2. **Strategic Capital Allocation Program** - This program structures client investment portfolios using sophisticated software tools, methods of analysis and through these an Investment Policy Statement is developed to guide the money manager in investment selection. Clients always have the opportunity to review and sign the Investment Policy Statements before any recommended investment portfolio is implemented.

WSA maintains the flexibility to invest client capital in the equity markets and other investment asset classes to the extent that the risk tolerance and investment objective of the client will allow when the money managers feel market conditions are favorable and to move client capital to money market funds or other safer investment asset classes when they feel market conditions are less favorable. This money management program is different than market timing in that, when fully invested in normal markets, client accounts are managed to maintain a structured and diversified portfolio per the client's stated investment objective. However, the representative may move client investments to safer alternatives when needed. This strategic flexibility allows the reduction of the overall time invested in investment markets while seeking to participate in market up trends and the returns of leading market indices. The primary focus is to maintain client's initial capital while attempting to reach their long-term investment objectives.

Various factors could trigger representatives to move investment amounts to safer investment alternatives and out of equities, bonds and fixed income securities and other investments under this program, including economic contractions, recessions, client

losses, rising interest rates, market turbulence, terrorism incidents that cause market turbulence, a loss of economic confidence and other factors. Some representatives make such investment changes in client accounts once an investment has fallen by ten percent or more, which is referred to as a “stop-loss” approach. Some representatives of the firm have a higher stop-loss percentage that would trigger investment changes in client accounts. If a stop-loss is going to be used, it should be stated in the client fee-agreement specifying what the stop-loss should be. Having a stated stop-loss however does not in any way guarantee the client that losses will not exceed this stop-loss percentage amount before the representative can move the client’s investments into safer alternatives, particularly during periods of severe market swoons.

This investment strategy contains full market risks of loss when fully invested. Significant investment losses may occur over extended periods. When stop-losses are triggered or when money managers determine that assets should be moved out of the stock market or other asset classes, there are risks that stocks or other investments could appreciate in value and clients would not participate in the gains.

WSA may employ the “Wrap fee” programs of outside money management firms that are not in any way affiliated with WSA. In such cases, the Wrap fee Brochure of that money management firm would be provided.

B. Fees and Compensation

Fees assessed by WSA’s money manager representatives for the Balanced Income and Growth Wrap fee Program generally follow the firm’s fee-based schedule, they are billed quarterly and fluctuate based on the client investment amount as follows:

Client Assets	Annual Fee (%) for all assets
On the first \$500,000	2.99%
Over \$500,000	2.50%
Over \$1,000,000	2.00%
Over \$2,000,000	Negotiable

Fees are negotiable.

Fees for the Strategic Capital Allocation Program are billed quarterly and fluctuate based on the client investment amount as follows:

<u>Account Valuation</u>	<u>Annual Fee</u>
\$ 25,000 - \$100,000	1.50%
\$100,000 - \$250,000	1.25%
\$250,000 - \$500,000	1.00%
\$500,000 - \$750,000	.95%
\$750,000 – 1,000,000	.90%
\$1,000,000 - \$2,000,000	.85%
\$2,000,000 +	.80%

Fees are negotiable.

The firms associated wrap fee money managers receive 90% of the fee from WSA, which keeps the other 10%.

All fees are subject to negotiation. WSA's fee agreement establishes the fees to be charged in writing.

The Advisor will generally bill its fees on a quarterly basis. Clients may elect to be billed in advance or arrears each calendar quarter in this fee agreement. Clients may also elect to be billed directly for fees or to authorize WSA to directly debit fees from client accounts through its various account custodians. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Additionally, as custodial investment platforms charge account closing fees, a termination fee based on WSA's cost to close the client's account will also be assessed. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

The advisor or Client(s) may terminate the contract at any time by providing a notice of termination through U.S. mail to the address listed on the contract or on ADV part II. The contract will be considered terminated at the close of business on the second business day following the day of WSA's receipt of notice.

WSA's Wrap fee Programs may cost more or less than it would if the client paid a fee and separately paid for securities transactions. If the client's account will be managed to have but a few transactions in each year, the cost of trading will not be high and clients could pay

more in a Wrap fee program than they would if they instead paid fees to have their money managed in a non-Wrap fee program and paid their own transaction costs. If the client's account management requires more frequent trading, this could escalate the costs for the client if trade costs were not included in a "Wrap fee".

In a Wrap fee program, the representative's fee compensation may be higher than in other fee-based investment advisory programs. Therefore, the representative may have a financial incentive to recommend the wrap fee program over other programs or services.

Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Clients may pay spreads to market makers in securities. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to WSA's fee.

WSA clients never pay a securities mark-up when purchasing securities or a mark-down when selling securities.

Item 5 – Account Requirements and Types of Clients

The Balanced Income and Growth Wrap Fee Program has an account minimum of \$100,000. Exceptions may be made.

The Strategic Capital Allocation Program has an account minimum of \$20,000. Some exceptions are made.

WSA provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, corporations, partnerships, Taft-Hartley plans, charitable institutions, foundations, trusts, endowments, state governments, municipalities, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

Item 6 - Portfolio Manager Selection and Evaluation

A. Portfolio Manager Review

WSA has developed a review and due diligence process for the assessment of any outside money managers and their wrap fee programs. Performance information on outside money management programs may not be calculated on a uniform and consistent basis as the programs differ. At this time, WSA does not use the “Wrap Fee” programs of outside money managers.

Some representatives of the firm act as portfolio managers for a wrap fee program described in this brochure. Conflicts of interest may exist in that the firm has an incentive to provide the wrap-fee programs of its representatives as opposed to the wrap-fee programs of other firms.

WSA has assuaged the performance of many outside money management firms. WSA addresses the conflict of interest by limiting the number of firm “wrap-fee” money management representatives to those who have shown consistent results across an acceptable spectrum of time. This review process enables the firm to overcome the potential conflict.

WSA’s *related person* portfolio managers are subject to the same selection and review as the other outside portfolio managers that may participate in the *wrap fee programs*.

The Advisor provides money management services for a fee based on the client’s financial plan and/or risk analysis, needs and goals assessment, Representatives of WSA develop, recommend and implement client investment portfolios and manage these investments over time per a fee agreement signed by the client. Different representatives may emphasize different investment disciplines. These investment styles and money management programs that are not part of a wrap fee are described in item 8(e) in WSA’s Firm Brochure.

B. Methods of Analysis

WSA’s Wrap Fee money management programs method of analysis is as follows:

Portfolio management software tools allow representatives to select asset classes and structure investments for clients according to their risk tolerance and time horizon based on the risk tolerance analysis. Other software packages allow objective comparisons of three, five and ten year (if applicable) investment performance of mutual funds, variable annuity separate accounts, fund managers, investment turnover rates, past performance relative to peer group, investment style and purity, as well as other criteria. Using this data, the money manager then develops the investment portfolio for the client using specific investments for each asset class.

C. Investment Strategies and Risks of Loss

The investment strategies of the two wrap fee programs are discussed fully in Item 4 in this brochure. The risks of the programs are highlighted again in this section as follows:

Balanced Income and Growth - This program is subject to full market and economic risk as it is normally a fully invested, buy and hold investment approach. Client investment losses can and will occur over extended periods, particularly in times of great economic weakness or in times of rising interest rates.

Strategic Capital Allocation Program - This investment strategy contains full market risks of loss when fully invested. When stop-losses are triggered or when money managers determine that assets should be moved out of the stock market or other asset classes, there are risks that stocks or other investments could appreciate in value and clients would not participate in the gains. There are no assurances that losses will not exceed the stop-loss percentage during significant declines in securities markets.

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

Clients may elect to provide their representative with investment restrictions preventing a representative of WSA from purchasing certain types of securities on his or her behalf. Such client restrictions should be in writing and included in the fee-agreement.

Representatives of WSA do not manage money any differently under Wrap-Fee Programs than they do for non-wrap accounts. The only difference is whether the representative or the client pays for the client transaction charge. Any "Wrap-Fee" program offered to prospective or current clients of WSA must be accompanied with WSA's "Wrap-Fee Brochure" disclosure document.

D. Performance Based Fees

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

E. Voting Proxies

As a matter of firm policy and practice, WSA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. WSA may provide advice to clients regarding the clients' voting of proxies.

Item 7 – Client Information Provided to Portfolio Managers

WSA is provided information regarding its clients only by its representatives who have direct contact with clients and, at times, by the client. At this time, WSA does not provide client information to other money managers outside the firm.

Item 8 – Client Contact with Portfolio Managers

WSA places no restriction on a client's ability to contact or consult with his/her portfolio manager.

Item 9 – Additional Information

A. 1. Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of WSA or the integrity of WSA's management.

WSA, the firm, has no disciplinary history to report.

In 2006, based on findings during the 2005 audit, FINRA, the regulatory authority over broker-dealers, fined Wilbanks Securities, Inc., the affiliated broker-dealer of WSA, \$25,000 for not producing its e-mails within the time allowed and for not auditing all non-branch offices of its representatives according to an audit cycle in violation of investment related rules. In 2007, regarding similar matters, the Oklahoma Securities Department, in an administrative proceeding, also fined Wilbanks Securities, Inc. \$2500, it suspended Aaron Wilbanks for ten days, and, by agreement, Randall Wilbanks could not perform supervisory compliance duties – a limitation that was lifted in late 2015.

WSA's supervision is performed by Steven Sharpe, who has one customer complaint alleging control person liability, Randall Wilbanks, who also has a customer complaint alleging control person liability, and Aaron Budd, who does not have any disciplinary history. Aaron Wilbanks oversees their duties as the Chief Compliance Officer of WSA.

A. 2. Other Financial Industry Activities and Affiliations

Management persons of WSA, Steven Sharpe, Aaron Budd, Aaron Wilbanks and Randall Wilbanks are also registered with Wilbanks Securities, Inc., an affiliated broker-dealer. WSA's representatives are also all registered with Wilbanks Securities, Inc. though it is not required.

Wilbanks Securities Inc. effects securities transactions to implement financial planning recommendations made by the associated person of WSA when requested to do so by the client. A conflict exists between the interests of the investment adviser or associated person and the interests of the client because, as registered representatives of the broker-dealer, Wilbanks Securities, Inc., associated persons may receive commissions or other compensation for these securities transactions or for the sale of insurance or other products or services recommended in the plan. The receipt or potential to receive such compensation may affect the judgment of WSA and/or associated person in selecting products recommended due to commissions potentially received rather than being based on client's needs. The firm regulates this conflict by requiring that, as a general rule, representatives cannot charge commissions while also earning a fee with limited exceptions described under Item 5. Sales of products where strictly commissions are earned by WSA's representatives are also reviewed for reasonableness and client needs.

WSA recommends the money management programs of other registered investment advisory programs, which could create conflicts of interest. However, the firm and its representatives generally earn no more and most often less fees if it manages client funds directly.

The firm monitors the investment selections of its representatives for suitability routinely. Product conflicts of interest do not currently exist in our Wrap Fee Programs.

WSA's Wrap Fee Money Managers receive no financial support of any kind from any product vendor. This policy helps to ensure that our advice to you is untainted. If vendor support were to be received in the future for any needed reason, WSA would regulate such support from vendors to ensure that client's interests are considered first and foremost and that representatives are not being financially induced to sell money management services due to receiving marketing, seminar or mailing support. All such support must be paid through WSA.

Conflicts of interest could potentially exist in that some private program sponsors, limited partnerships, real estate investment trusts, equipment leasing programs, oil and gas programs and other vendors do pay Wilbanks Securities, Inc., the affiliated broker-dealer of WSA, due diligence and marketing fees and/or fees to attend the annual conference of the firm that its representatives also attend. The broker-dealer affiliate of WSA reduces this conflict by utilizing third-party due diligence and doing a significant amount of objective due diligence itself at a great expense to try, as best as it is capable, of bringing promising private programs to the attention of its representatives and their clients to provide them viable alternative investments and tax-advantaged programs for purposes of diversification in client's investment allocations.

Most often the sale of these products is for a commission through the broker-dealer affiliate of WSA. If commissions are earned, no fees are allowed to be charged to the client. Some programs can be offered to clients for a fee, which would be in lieu of a commission for the sale of such products when done through WSA. Prospective and current clients of WSA are under no obligation to purchase these products through either WSA or its affiliated broker-dealer, Wilbanks Securities, Inc.

Associates Diversified Brokerage, Inc. (ADB) is an affiliated insurance agency of WSA and it provides insurance and annuity products for the representatives of the Adviser. A conflict could exist in that Associates Diversified Brokerage, Inc. and the representatives of WSA could receive commissions for the sale of insurance and annuity products to clients. However, the firm does not allow fees to be charged on the sale of insurance and fixed annuity products. These products may be recommended by representatives of WSA in financial plans. However, these products would not be sold through WSA. Clients are under no obligation to buy insurance and annuity products through ADB.

WSA and the broker-dealer, Wilbanks Securities, Inc., have investment custodial platform arrangements with other broker-dealers and investment custodians. Conflicts of interest for directed brokerage do not exist in this situation as the firm accepts no directed brokerage payments from its custodian investment platform providers for placing client trades on its various available investment platforms.

B. 1. Code of Ethics, Participation in Client Transactions and Personal Trading

WSA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at WSA must acknowledge the terms of the Code of Ethics annually, or as amended.

WSA anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which WSA has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which WSA, its affiliates and/or clients, directly or indirectly, have a position of interest. WSA's employees and persons associated with WSA are required to follow WSA's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and

employees of WSA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for WSA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of WSA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of WSA's clients. In addition, the Code requires pre-clearance of some transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between WSA and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with WSA's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. WSA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

WSA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Steven Sharpe listed earlier in this brochure.

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

B. 2. Review of Accounts (How We Regulate Our Representatives).

A. Financial Plans

It is the policy of Wilbanks Securities Advisory (WSA) and its affiliated broker-dealer, Wilbanks Securities, Inc., to review and pre-approve all written financial plans and Investment Policy Statements. This includes plans and recommendations made to pension plan sponsors. This review process is performed to ensure that representatives of the firm have included the required disclosure pages, that the planning software used by the representative is approved, and to verify that a plan contains reasonable assumptions regarding inflation, projected/assumed rates of return, that the proposed allocation of assets reflects the investment objective and risk tolerance of the client. A Risk Tolerance Questionnaire must be included as part of each non-group plan. Finally, no assurances of future success or future investment returns are made to clients. All financial plans delivered to clients are reviewed and pre-approved by WSA regardless of whether a fee was charged or not.

Mutual fund, product and specific investment recommendations made to clients are reviewed for reasonableness and to ensure that products recommended to clients are approved. The firm also reviews the risk tolerance analysis of the client and the stated investment objective, the tax bracket and age of the client as well as the stated goals and needs of the client and reviews the portfolio recommendations of the representative that may be included with financial plans for reasonableness in light of these factors. WSA also reviews and pre-approves any Financial Plan update performed for clients by representatives using the same review process.

WSA generally recommends to its representatives, though it is not a requirement, that they use the preferred Financial Planning Software vendors with which WSA is most familiar. These software packages include Allocation Master from Sungard, Planning Station from Sungard, Financial Profiles, Money Guide Pro, and, for analysis of pension investments, FI-360. Representatives of the firm may utilize other financial planning software packages that are very similar to these listed above.

To analyze and determine which investments to select for clients, representatives are trained by the firm to use sophisticated software tools such as Thompson Investment View. The firm also offers to its representatives other similar software, Morningstar Principia or Morningstar Workstation as well as other analytical tools. Software packages allow objective comparisons of three, five and ten year (if applicable) investment performance of mutual funds, variable annuity separate accounts, fund managers, investment turnover rates, past performance relative to peer group, investment style and purity, as well as other criteria.

Current investors and potential customers of WSA should know that financial plans are to be used as guides only. They are not predictions of the future, they DO NOT in any way guarantee the client any rate of return nor do they make any promises that the client's goals and objectives will be achieved. The plan will never mirror the future exactly and could differ markedly based on the economy, interest rates, investment performance and other factors. Clients are encouraged

to work with their financial planner representative each year or, as needed, to make adjustments to financial plans or investment plans based on actual experience.

B. Account Paperwork, Investment Allocations and Fees Charged

WSA also reviews the opening account paperwork for each client. This includes a review of the stated investment objective, risk tolerance, tax bracket, age of the client, and the stated goals of the client. The firm also reviews and monitors the initial investment allocation of clients by its representatives and examines client paperwork to ensure that the investment portfolio, as a whole, meets the clients stated investment objective and risk tolerance.

WSA initially reviews the client's fee agreement to ensure that the fees charged are within the firm's stated guidelines and are reasonable. WSA also periodically spot-checks the fees billed by its representatives in light of these client fee agreements and client investment account values for accuracy.

C. Client Account and Transaction Reviews

Client wrap fee accounts are reviewed each calendar quarter (every three months) by the representative and by WSA to inspect as to whether the investment portfolio is suitable for the client based on the stated client investment objective and risk tolerance. Current stock and bond market conditions, interest rates, as well as the state of the economy and other factors may also be considered by the representative or money management firm.

The firm reserves the right to allow representatives and outside money management firms the flexibility and the right to move client assets to safer investments, money market, cash and other investment instruments in times of stock and bond market turmoil provided that this is communicated to the client. Therefore, there may be periods where clients will technically be invested differently than the stated investment objective due to market turbulence.

However, most often representatives of the firm choose to maintain client investment portfolios through good times and bad in the stock and bond markets. When client's investments are allocated and apportioned correctly, this is a sound investment practice provided that clients have the risk tolerance for this approach. There are no guarantees that proper investment allocation will prevent market losses. Investing by its very nature involves substantial risk of loss. Clients can experience significant investment losses for protracted periods during economic downturns and times of market turbulence.

Furthermore, all trades done in an advisory account are reviewed the next day to ensure suitability based upon the client investment objectives and risk tolerance. Any deviations are noted, discussed with the representative and corrected if necessary.

For representatives who manage stock and/or bond wrap fee portfolios, WSA reviews the clients account for suitability of investments initially and then quarterly, and specifically inspects the frequency of trading, the profitability of securities transactions and other investment management factors to ensure that representatives are not trading too frequently or causing the client unnecessary losses.

D. Representative Audits

WSA also physically audits its representatives and their offices at least once every three years and inspects the representative's client files to ensure that the quarterly review of accounts are being completed and that representatives are adhering to client's investment objectives within the dictates of the specific money management program selected by the client. WSA's representatives are also audited to ensure their compliance with securities industry rules and the firm's written supervisory procedures.

E. Continuing Education and Professional Development

The firm is also required to monitor the required continuing education of its representatives and it ensures that representatives receive both the training they are required to take and the education and development they need. Fee-based planners are encouraged to enter a program and make some annual progress to become a Certified Financial Planner (CFP), Chartered Financial Consultant (ChFC), Chartered Life Underwriter (CLU), or Certified Financial Analyst (CFA) and achieve the appropriate continuing education requirements of the designation. WSA also recommends to its representatives membership in the International Association for Financial Planning, Inc., International Association of Registered Financial Consultants, and/or the Institute of Certified Financial Planners. Attendance at training and product reviews conducted by product wholesalers as well as attendance at tax institutes and other third-party training programs is also encouraged by the Advisor. Finally, the Firm promotes professionalism through on-going education: e.g. The American College and the College for Financial Planning's continuing education courses.

WSA maintains an extensive compliance department that reviews financial plans and client wrap fee accounts and the fees assessed to these accounts. This department keeps current on the constantly changing regulatory environment to ensure that the firm and its representatives are in compliance with federal and state securities regulations.

F. Client Statements and Reports

Clients who engage in wrap fee money management will receive a quarterly statement from the account custodian which shows:

1. Value of each account at quarter end.
2. Number of shares owned and share value at the end of the quarter.

Depending on the program, clients may be provided with additional written reports from their representative or money management program regarding investment returns and investment policy. Extra fees may be charged for these additional written reports, which must be disclosed and authorized in the client's fee agreement. If a client is provided an additional report from a representative, it is required to be pre-approved by the firm's compliance department to ensure it contains the appropriate disclosures and that it is an approved report format.

B. 3. Client Referrals and Other Compensation

WSA does not receive any economic benefits for providing investment advice or other advisory services to its clients from parties who are not clients that is not already disclosed. WSA does not pay for client referrals to third-parties directly or indirectly.

B. 4. Financial Information

Registered investment advisers are required in this item to provide you with certain financial information or disclosures about an adviser's financial condition. WSA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

WSA has been in business since August 1996, and is in sound financial condition.