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October 25, 2016

Part 2A Appendix 1, Wrap Fee Brochure

This wrap fee program brochure provides information about the qualifications and business practices of Sowell Management Services and the Ross Donnelly Wrap Fee Program. Ross Donnelly, an advisor representative of Sowell Management Services , also does business as Madison Park Advisors, LLC to market the services he offers. If you have any questions about the contents of this brochure, please contact us at (502) 219-2434 or email:

Businessdevelopment@sowellmanagement.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Sowell Management Services is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Sowell Management Services is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Sowell Management Services is 127145.

ITEM 2 – MATERIAL CHANGES

Summary of Material Changes

We may update this Brochure at any time but are required to promptly send clients a copy of certain material changes to our disclosures upon doing so. In addition, we will also deliver an annual summary of material changes that occur to the Brochure along with an offer to provide you with a current version. The following material changes have been made to this Brochure:

If you would like another copy of this Brochure, please download it from the SEC Website as indicated on page one or you may contact Greg Syler at 501-219-2434 or greg@sowellmanagement.com.

We encourage you to read this document in its entirety.

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ITEM 4 - SERVICES, FEES AND COMPENSATION

This document, offered by Sowell Management Services (“SMS”) discloses information about the investment advisory services we provide and the manner in which we provide them to you, the Client. This brochure discusses our asset management services offered on a “wrap” fee basis.

We are a fee-based third party investment management and financial planning firm located in North Little Rock, Arkansas. The firm was established in 2001 by Sowell Management, Inc. and Cindy Sowell. Sowell Management Inc. is 100% owned by William Sowell.

Portfolio Management Services

The Firm participates in and sponsors a wrap fee program for certain investment management service clients. This wrap fee program allows the Advisor to manage client accounts for a single fee that includes portfolio management services and custodial costs. The fees are payable monthly in arrears and the final schedule for this program is represented below:

Portfolio Management Services Wrap Fee

Advisory Program Clients are generally charged the asset based Wrap Fee on a quarterly basis in advance, although some clients may pay a monthly fee. The rate or rates used to calculate the Wrap Fee, and the timing of such fees, are subject to negotiation between the Portfolio Manager and each Client and are set forth in the Client’s Agreement. Ross Donnelly will receive a portion of the Wrap Fee for the execution of transactions, and pay part of that compensation to the Custodian.

The maximum annual Wrap Fee rates are:

Value of Account	Assets Annual Wrap Fee Rate
Up to \$500,000	Up to 3.00%
Next \$500,000	Up to 2.50%
Next \$1,000,000	Up to 2.25%
Assets over \$2,000,000	Up to 2.00%

The Wrap Fee rate may be either a flat annual fee rate (maximum rate of 3.00%) or a blended fee using two or more of the rate tiers set forth above, subject to a quarterly account minimum that is generally \$175. The imposition of the minimum fee may cause the effective Wrap Fee rate (expressed as a percentage) to be greater than the fee rates specified in the Client’s Agreement.

The asset-based fee includes all fees and charges for services, as applicable, for SMS, and transaction fees. However, this fee does not include the following: (a) charges for services provided by SMS outside the scope of the Investment Management Agreement (e.g. retirement plan administration fees, trustee fees, wire transfer fees, account fees, and charges incidental to brokerage and custodial services, etc.); (b) any taxes for fees imposed by exchanges or regulatory bodies; (c) other fees and charges imposed because we may choose to effect securities transactions for the account with or through a broker/dealer other than the custodian; (d) sales loads and internal operating expenses on mutual funds and ETFs; (e) commissions on transactions occurring after

notice of Agreement termination is given; and (f) commissions on transactions ordered by a client. Each of these additional charges may be separately charged to your account or reflected in the price paid or received for a given security.

In most cases, the annual fee for portfolio management services is billed monthly, in advance, based on the market value of the assets on the last day of the month as reported by the custodian. Fees are assessed on all assets under management, including securities, cash, and money market balances. Margin debit balances do not reduce the value of assets under management. Any variance from monthly billing, in advance, will be disclosed and agreed upon in writing.

Either SMS or you may terminate the management Agreement, upon written notice to the other party. The management fee will be pro-rated to the date of termination, for the month in which the cancellation notice was given, and any unearned fees will be refunded to you. Upon termination, you are responsible for monitoring the securities in your account, and we will have no further obligation to act or advise with respect to those assets.

With prior client permission, fees payable to us are deducted from your account when due. We will liquidate money market shares to pay the fee and, if money market shares or cash value are not available, other investments will be liquidated. Authorization for the automatic deduction of fees from the account is contained in the Investment Advisory Agreement. The periodic portfolio statements from the custodian disclose all amounts disbursed from your account, including advisory and service fees paid.

Costs

Our “wrap” fees shown above (fees which include both Sowell Management Services’ advisory fee and certain transaction fees) may be more or less than those charged by us to another client for similar services, and by other advisers for similar services.

Also, our “wrap” fee may be more or less than the fees and commissions charged by other advisory firms, third-party managers, and brokerage firms if the services were acquired separately. The factors that bear upon the cost of services are the size of the account, type of transaction and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commission’s being charged to the account.

Internal Fees of Funds and Other Excluded Costs

Since ETFs or mutual funds are part of a client’s portfolio, the mutual funds charge additional and separate internal fees as described in the fund’s prospectus. Thus, when these funds are in a client’s account, two advisory fees are imposed: one internally by the fund, the other by SMS.

Not all transaction-related expenses are covered by the “wrap” fee. Certain account charges by the custodian, commissions and costs for transactions not placed through our recommended custodian, commissions on transactions occurring after termination of our services agreement, and client-ordered transaction commissions are not covered. See the “Portfolio Management Services Wrap Fee” section above.

Wrap Fee Incentives

Because we absorb certain transaction costs, we may have a financial incentive not to place transaction orders frequently since doing so increases the transaction costs to us, thereby reducing our revenue. Thus, an incentive exists to place trades less frequently. Also, because fees are asset-based, there is an incentive for us to recommend that you do not reduce positions since doing so will reduce the fee to our firm. Also, we may receive more compensation in this program over others which require separate payment for advice, brokerage and other services, thus this financial incentive may also create a conflict of interest.

We do not guarantee the results of investment management or consulting advice we give, including the performance of our investment models. Thus, significant losses can occur by using our services.

Other Compensation

Associates of SMS may be licensed to offer insurance products and will receive customary commissions for the sale of such products should a client decide to make purchases or sales through our associates which are not covered by the wrap fee. When selling these products, a conflict of interest exists.

ITEM 5 - ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

We provide investment advice to individuals and high net worth individuals. A minimum of \$50,000 is required to open and maintain an account under the Asset Management Portfolio Program. The Advisor may waive this minimum under certain circumstances. Should the market value of an account fall under the stated minimum, the Advisor has the right to require that additional monies be deposited to bring the account value up to the required minimum, or to close the account.

ITEM 6 - PORTFOLIO MANAGER SELECTION AND EVALUATION

Methods of Analysis, Investment Strategies and Risk of Loss.

Selecting/Reviewing Portfolio Managers

The Firm will not select any outside portfolio managers for management of this wrap fee program. Ross Donnelly will be the sole portfolio manager for this wrap fee program.

1. Standards Used to Calculate Portfolio Manager Performance

The Advisor will use industry standards and Morningstar Pro to calculate portfolio manager performance.

2. Review of Performance Information

The Advisor reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed monthly and is reviewed by the Advisor.

Related Persons

No related persons act as a portfolio manager for the wrap fee program as described in this brochure. As such, there are no conflicts of interest with related persons and the Advisor will not select any related persons as portfolio managers for this wrap fee program.

Advisory Business, Performance-Based Fees, Side-By-Side Management, Methods of Analysis, Investment Strategies, Risk of Loss, Voting Client Securities

The Advisor offers investment supervisory services to its wrap fee program participants as detailed in Section 4 above, and limits investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, third party money managers, insurance products including annuities, private placements, government securities. The Advisor may use other securities as well to help diversify a portfolio when applicable.

Investment Supervisory Services

The Advisor offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. RWM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Risk tolerance
- Regular portfolio monitoring

The Advisor evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. The Advisor will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on hourly fees and the final fee structure is documented in the Financial Planning Agreement.

Performance-Based Fees and Side-By-Side Management

Neither the Firm nor any of its supervised persons charges a performance-based fee that is, a fee based on a share of capital gains on or capital appreciation of the assets of a client.

Methods of Analysis, Investment Strategies and Risk of Loss

The accounts are managed using various types of investment strategies. Portfolio Managers will perform security analysis and methods used may include charting, fundamental, technical, or cyclical analysis. The main sources of information that the PM may use include financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, SEC filings and company press releases.

Charting: In this type of technical analysis, the Portfolio Manager will review charts of market and security activity in an attempt to identify when the market is moving up or down and to attempt to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis: The Portfolio Manager attempts to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Technical Analysis: The Portfolio Manager analyzes past market movements and applies that analysis to the present to supplement its fundamental research and to recognize recurring patterns of investor behavior and attempt to predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis: In this type of technical analysis, the Portfolio Manager measures the movements of a particular stock against the overall market in an attempt to predict the price movement of that security.

Certain advisory strategies may consist of portfolios being either fully or primarily invested in money market funds and/or short-term bond funds, depending on the client's unique financial needs and/or our economic market outlook.

Risks

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

You should be aware that your account is subject to the following risks:

- Stock Market Risk – The value of securities in the portfolio will fluctuate and, as a result, the value may decline suddenly or over a sustained period of time.
- Managed Portfolio Risk – The manager's investment strategies or choice of specific securities may be unsuccessful and may cause the portfolio to incur losses.
- Industry Risk – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments.
- Non-U.S. Securities Risk – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability.
- Emerging Markets Risk – To the extent that your portfolio invests in issuers located in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies.
- Currency Risk – The value of your portfolio's investments may fall as a result of changes in exchange rates.
- Interest Rate Risk - The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down.
- Credit Risk - Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may

purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss.

- Inflation Risk - Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down.
- ETF and Mutual Fund Risk – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETF’s or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients may also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with us varies with the success and failure of our investment strategies, research, analysis, and determination of portfolio.
- Options Risk - Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

Voting Proxies on Client Securities

We do not vote proxies on behalf of clients. Clients who own voting shares of a company, retain the authority for the proxy voting for those securities held in their account(s) with the following possible exceptions: 1) For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. 2) For accounts managed by a third party advisor (money manager), clients may sign proxy voting authority over to that third party advisor. In either of those instances, it will be indicated in the contract how the client may obtain a copy of the proxy voting policies and procedures of that particular fiduciary. Proxy voting materials received at by us will either be forwarded to client, or we will contact the sender to redeliver, or will confirm client receipt as applicable.

ITEM 7 - CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

As described in “Item 4. Services, Fees and Compensation”, Clients inform their Portfolio Manager of their investment objectives, risk tolerance, and investment time horizon as well as any applicable investment policies, guidelines, or reasonable restrictions. Since the Wrap Fee accounts are managed by Ross Donnelly as the Portfolio Manager, communication between Clients and the Portfolio Manager occurs on a regular basis. Third party managers may receive such Client information including, but not limited to, factors related to their risk tolerance, investment objectives, investment time horizon and any other relevant investment constraints. Such information is communicated to the third party managers by SMS on a periodic basis or as Client circumstances require.

ITEM 8 - CLIENT CONTACT WITH PORTFOLIO MANAGERS

Clients are encouraged to contact their Portfolio Managers directly, or, if a third party money manager is used, it may be appropriate for Clients to alternatively contact their Advisor.

ITEM 9 - ADDITIONAL INFORMATION

Disciplinary Information

In 2009, the State of Arkansas found that William Sowell mistakenly allowed his Investment Advisor Representative registration to lapse while continuing to engage in investment advisor activities. The State required Mr. Sowell to pay a fine and waived the exam requirement. Mr. Sowell is now properly registered in the State of Arkansas.

Other Financial Industry Activities and Affiliations

Broker/Dealer

Certain Investment Advisor Representatives (“IAR”) of SMS may be registered representatives of a securities broker/dealer, and will be compensated for effecting securities transactions or providing advisory services. A portion of the time of some of our IARs is spent in connection with broker/dealer activities.

Broker/dealers engage in a broad range of activities normally associated with securities brokerage firms. Pursuant to the investment advice given by SMS or its IARs, investments in securities may be recommended for clients. As the broker/dealer, its registered representatives, including certain IARs of SMS, may receive commissions for executing securities transactions. When IARs of SMS receive commissions in connection with the advice given to advisory clients, SMS may reduce a portion of its fees by the amount of the commissions earned by SMS IARs.

You are advised that as the broker/dealer, the transaction charges may be higher or lower than the charges you may pay if the transactions were executed at other broker/dealers. You should note, however, that you are under no obligation to purchase securities through these IARs of SMS or the broker/dealer.

Moreover, you should note that under the rules and regulations of Financial Industry Regulatory Authority (“FINRA”), broker/dealers have an obligation to maintain certain client records and perform other functions regarding certain aspects of the investment advisory activities of its registered representatives. These obligations require the broker/dealer to coordinate with, and have the cooperation of its registered representatives that operate as, or are otherwise associated with, investment advisors other than that of the broker/dealer. Accordingly, the broker/dealer may limit the use of certain custodial and brokerage arrangements available to clients of SMS and the broker/dealer may collect as paying agent of SMS the investment advisory fee remitted to SMS by the account custodian.

Certain IARs of SMS may (in their capacity as a registered representatives or as agents appointed with various life, disability or other insurance companies) receive commissions, 12(b)-1 fees, trails, or other compensation from the respective product sponsors and/or as a result of effecting securities transactions for clients. As previously noted, when commissions or fees are received these IARs in connection with the advice given to advisory clients, SMS may, but is not obligated to, reduce its fee proportionate to the amount of the commission or fee earned by SMS or its IARs. However, clients should note that they are under no obligation to purchase any investment products through these IARs of SMS.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Sowell Management Services and persons associated with us are allowed to invest for their own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for your account, and may engage in transactions that are the same as or different than transactions recommended to or made for your account. This creates a conflict of interest. We recognize the fiduciary responsibility to place your interests first and have established policies in this regard to avoid any potential conflicts of interest.

We have developed and implemented a Code of Ethics that sets forth standards of conduct expected of our advisory personnel to mitigate this conflict of interest. The Code of Ethics addresses, among other things, personal trading, gifts, the prohibition against the use of inside information and other situations where there is a possibility for conflicts of interest.

The Code of Ethics is designed to protect our clients by deterring misconduct, educate personnel regarding the firm's expectations and laws governing their conduct, remind personnel that they are in a position of trust and must act with complete propriety at all times, protect the reputation of Sowell Management Services, guard against violation of the securities laws, and establish procedures for personnel to follow so that we may determine whether their personnel are complying with the firm's ethical principles.

We have established the following restrictions in order to ensure our firm's fiduciary responsibilities:

1. A director, officer or employee of SMS shall not buy or sell any securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No director, officer or employee of Sowell Management Services shall prefer his or her own interest to that of the advisory client.
2. We maintain a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Sowell Management Services.
3. We emphasize the unrestricted right of the client to decline to implement any advice rendered, except in situations where we are granted discretionary authority of the client's account.
4. We emphasize the unrestricted right of the client to select and choose any broker-dealer (except in situations where we are granted discretionary authority) he or she wishes.

5. We require that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2A; attn: Chief Compliance Officer.

Review of Accounts

The Firm has IARs that operate independently but has a policy that account reviews are conducted no less than quarterly. More frequent and ongoing reviews are dependent on circumstances of the client, particular investments, market activity, or other events that affect portfolio management. There is currently no limit on the number of accounts that can be reviewed by an IAR.

Brokerage statements are generated no less than quarterly and the account custodian sends copies directly to clients. These reports list the account positions, activity in the account over the covered period and other related information. The custodian also sends confirmations following each brokerage account transaction unless confirmations have been waived.

Financial plans are reviewed annually, unless circumstances determine otherwise. Events that trigger more frequent review of financial plans include changes in a client's situation, or events that may affect market activity over the life of the plan.

Statements and Reports

Reports are provided to you on a quarterly basis or as otherwise agreed upon with the client. The reports will include market analysis and performance summary.

The custodian for the individual client's account will also provide clients with an account statement at least quarterly.

You are urged to compare the reports provided by Sowell Management Services against the account statements you receive directly from your account custodian.

Client Referral and Other Compensation

We participate in the institutional customer programs for TD Ameritrade, Inc., Pershing Advisor Solutions, Fidelity Institutional Wealth Services, Charles Schwab Advisor Services and Interactive Brokers. Accordingly, we may recommend one of these custodians to you for custodial and brokerage services. There is no direct link between our participation in the program and the investment advice we give to you, although we receive economic benefits through our participation in their programs that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from your account; access to an

electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. These custodians may also have paid for business consulting and professional services received by our associated persons. Some of the products and services made available by the custodians through their programs may benefit us, but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at these custodians. Other services made available by the custodians are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the programs do not depend on the amount of brokerage transactions directed to the custodians. As part of its fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of custodians for custody and brokerage services.

From time to time, we may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Although receipt of these travel expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made.

We may enter into written referral agreements with third parties by which the third party may, from time to time, refer clients that may establish accounts and enter into advisory relationships with us. In such circumstances, we agree to pay the third party a referral fee equal to a percentage of fees received by us from the referred client. The referral fee may be split between third parties who have jointly participated in referring a client to SMS. All referral agreements will be governed by and comply with Rule 206(4)-3 under the Investment Advisors Act of 1940.

Financial Information

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.