

Part 2A of Form ADV: *Firm Brochure*

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12/31/2016

This brochure provides information about the qualifications and business practices of BW & Associates, Inc.. If you have any questions about the contents of this brochure, please contact us at 714-998-2077 or laurel@bwandassociatesinc.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.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about BW & Associates, Inc. also 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. Our firm's CRD number is 116471.

Item 2 Material Changes

This Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

The following section(s) represent material changes in our brochure dated 12/31/2016:

ITEM 4: ADVISORY SERVICES: As of 1/01/17, advisory fees collected will be subjected to a split arrangement between Bonnie Wusz and Laurel Hackett.

ITEM 4: ADVISORY SERVICES: Our firm became eligible for SEC registration due to having \$100 million in assets under management.

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Item 4 Advisory Business

Bonnie Wusz & Associates, Inc. is an SEC registered investment adviser with its principal place of business located in California. Bonnie Wusz & Associates, Inc. began conducting business in April 1989.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

Wusz Family Trust dtd 6/4/1991, Tim & Bonnie Wusz Trustees

As of 1/01/17, advisory fees collected will be subjected to a split arrangement between Bonnie Wusz and Laurel Hackett.

BW & Associates, Inc. offers the following advisory services to our clients:

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides on-going advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

Our goal is to consistently empower our clients to surpass their financial dreams by encouraging placement of their stated long term financial goals ahead of short term market volatility. Historically equity performance over the long haul has provided superior appreciation over fixed income securities and has consequently provided a greater opportunity of securing long term financial aspirations. Statistics reveal that perseverance to remain in a diversified portfolio of well managed equity funds throughout market cycles has rendered attractive long term results, which have outpaced inflation. Clients who are looking for high short term gains within their long term financial objectives by employing market timing or tactical management techniques (in a desire to mitigate the effects of market down-turns) are not well suited to BWA philosophy or practices and are tactfully and respectfully recommended that our firm is not a good fit.

Our commitment is to provide our clients with the knowledge and understanding to help them remain invested in a diversified portfolio comprised primarily of equities. This requires on-going education and reminders that market corrections have historically created opportunities for top-notch fund managers to purchase quality and profitable companies at discounted prices and have actually contributed to profitability in the long run. Our counsel has enabled clients to preserve (and often increase) their purchasing power and investment income over the long term, often during decades of retirement.

Our team makes every effort to enlighten clients when they make less than advantageous decisions. Advisors, in such circumstances, often share alternative methods of achieving the same goal. For

instance, when a client instructs us to facilitate a sizable liquidation from their IRA to pay off a mortgage, we most likely inquire about their tax situation. Depending on the answer, we may subsequently share the devastating tax consequence the liquidation would trigger and depict alternative options such as taking the distributions from an after tax account or taking monthly distributions from the IRA to fund the mortgage in lieu of the sizeable lump sum.

It is our conviction that our clients' attractive wealth accumulation is a due to our on-going counseling—both encouraging them to remain invested in prudent, well managed and well diversified equity portfolios and saving them from taking action on detrimental investment decisions they might make. Therefore the BWA team is dedicated to servicing our clients' investing and processing needs.

In addition to providing prudent investment information and recommendations, we offer guidance and implementation on an array of on-going circumstances such as the amount of feasible monthly investment income to take before or during retirement; processing IRA distributions and tax withholding, if desired; educating clients, when appropriate, of Required Minimum Distributions and subsequently implementing them; altering income amounts and/or tax withholding percentages as dictated by client; processing clients' requested lump sum distributions and/or systematic withdrawals, educating and recommending, when appropriate, tax advantaged investment opportunities intended for children and/or grandchildren or other loved ones.

BWA prepares documentation and process re-registration of assets due to death (often to multiple beneficiaries), re-registration of divisions of trust documents and assistance in understanding the nature of their trust documents, required divisions and accounting required, and referring them to their attorneys and accountants. BWA prepares documentation for the splitting of assets due to divorce, gifting of securities, and registration for changes in trustees and/or establishment of a trust. BWA provides gain/loss of securities and contact clients whenever it appears that they may be taking greater distributions than their portfolio can prudently accommodate.

We manage these advisory accounts on a limited discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. BWA is neither an attorney nor an accountant and recommends client seek legal, accounting, or tax advice from appropriate professionals.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

Mutual fund shares and variable annuities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas (assuming client provides the appropriate documentation):

PERSONAL: We review family records, budgeting, personal liability, estate information and financial goals.

TAX & CASH FLOW: We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.

INVESTMENTS: We analyze investment alternatives and their effect on the client's portfolio.

INSURANCE: We review existing policies for life, health, long-term care.

RETIREMENT: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.

DEATH: We review the client's cash needs at death, income needs of surviving dependents & estate planning.

ESTATE: We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, Medicare. In the case of estate planning, taxation and some forms of insurance, although general issues will be discussed, clients will be referred to consult with their attorney, tax advisor and/or insurance agent.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning, in addition to the following securities.

Exchange-listed securities, securities traded over-the-counter, foreign issuers, corporate debt securities (other than commercial paper), certificates of deposit, municipal securities, variable life insurance, term life insurance, variable annuities, mutual fund shares, United States governmental securities.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

LIMITATIONS: As individuals of BW & Associates, Inc. are registered as representatives of a broker-dealer and/or as insurance agents/brokers of various insurance companies, recommendations made in financial plans are limited to only those products offered through these companies.

AMOUNT OF MANAGED ASSETS

As of 12/31/2016, we were actively managing \$168,050,543 of client's assets on a limited discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.65% to 2.50%.

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client standing letter of authorization in the Client Services Agreement. For the first partial quarter upon the opening of the account or the transitioning to the investment advisory services, the fees shall be prorated based on the average of all asset values for every day that a balance exists. If termination occurs resulting in a partial quarter, then the advisory fee will be prorated based upon the number of days that the account is open during the quarter.

Negotiability of Advisory Fees: BW & Associates Inc. has discretion to negotiate alternative fees on a client-by-client basis. Facts regarding the client's needs will be considered in determining the fee schedule. These include the complexity of the client's portfolio and individual circumstances, assets to be placed under management, net worth, anticipated future additional assets, related accounts, portfolio style, account composition, and reports requested or required for the client, among other factors. The specific annual fee schedule will be identified in the contract between the advisor and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Advisor also has Registered Representatives associated with a registered securities broker/dealer and, as such, the Registered Representatives have a dual role insofar as they also serve as IARs of the Advisor. The Registered Representatives would receive a portion of any 12b-1 fees paid to the broker/dealer. (Not all mutual funds pay 12b-1 fees.) To offset the dual compensation, the client's advisory fee will be reduced but the amount of any 12b-1 fees paid to the broker/dealer. If 12b-1 fees that are payable to Registered Representatives, who are also IAR's of BW & Associates, Inc., are reduced or eliminated due to regulatory changes or otherwise, the investment advisory fee shall automatically increase to compensate for the reduction of 12b-1 fees. Also, any A Share commissions paid by the respective mutual funds to the broker/dealer are shared by the Registered Representatives. New clients who invest in A Shares and are assessed an upfront commission. In some instances, depending on the size of the transaction, advisory fees will be discounted, at our discretion, for commissions earned. Commissions will not be credited towards future advisory fees.

FINANCIAL PLANNING FEES

BW & Associates, Inc.'s Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$1,200 to a percent of assets under management, depending on the specific arrangement reached with the client.

Financial Planning Fee Offset: BW & Associates, Inc. reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage our firm for our Advisory Services.

The client is billed quarterly in advance based on our total estimated Financial Planning fees.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason, upon 30-days written notice. Any and all fees paid in advance will be prorated to the date of termination and any unearned portion of prepaid fees will be refunded to the Client.

Mutual Fund Fees: All fees paid to BW & Associates, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information. Additional information on fees and expenses can be found in our Advisory Agreement, item 2. FEES and Schedules C Investment, Advisory Fees and Schedule D, Administrative Fees.

ERISA Accounts: BW & Associates, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, BW & Associates, Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset BW & Associates, Inc.'s advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

Item 6 Performance-Based Fees and Side-By-Side Management

BW & Associates, Inc. does not charge performance-based fees.

Item 7 Types of Clients

BW & Associates, Inc. provides advisory services to the following types of clients:

Individuals (other than high net worth individuals); High net worth individuals; charitable organizations; corporations or other businesses not listed above.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities comprised of various asset classes that are suitable to the client's investment goals and risk tolerance.

A risk of short term equity investing techniques such as market timing or tactical management (which we do not employ), is that incorrect predictions can result in forfeiture of significant upside surges (and profits). A risk in a long-term equity investment strategy (which we do employ) is that by holding the securities, we do not liquidate during market spirals for the purpose of locking in short term profits. Moreover, there will be periods of time when the securities will decline sharply in value.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities of funds, ETFs and/or separate accounts to be comprised of cost effective, profitable companies of timely industries which will provide attractive growth potential.
- we desire exposure to a portfolio of diversified assets classes with the conviction that, over time, different classes will outperform during different market cycles thus providing the portfolio with less volatility than any single asset class.

A risk in a long-term equity investment strategy is that by holding the securities, we do not liquidate during market spirals for the purpose of locking in short term profits. Moreover, there will be periods of time when the securities will decline sharply in value.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments.

We ask that you work with us to help us understand your tolerance for loss.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Management personnel of BW & Associates, Inc. are separately licensed as registered representatives of Girard Securities, Inc. a FINRA member broker/dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While BW & Associates, Inc. and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

In addition, the management persons and other employees of BW & Associates, Inc. are: (1) management persons and registered representatives of Girard Securities, Inc., a FINRA member broker-dealer; and, (2) and BWA associates insurance agents. These individuals may also be insurance agents for one or more insurance companies. In their separate capacities as registered representatives and/or insurance agents, these individuals are able to effect securities transactions and/or purchase insurance and insurance-related investment products for BW & Associates, Inc.'s advisory clients, for which these individuals may receive separate and additional compensation. Clients, however, are not under any obligation to engage these individuals when considering the purchase/sale of securities or insurance.

Clients should be aware that the receipt of additional compensation by BW & Associates, Inc. and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. BW & Associates, Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all

recommendations made to a client are suitable to the client's needs and circumstances;

- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

BW & Associates, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of securities transactions reports as well as ongoing securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and record keeping provisions.

BW & Associates, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by calling us at 714-998-2077.

BW & Associates, Inc. and individuals associated with our firm are prohibited from engaging in principal transactions.

BW & Associates, Inc. and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts

securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
6. We have established procedures for the maintenance of all required books and records.
7. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
8. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
9. We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
10. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
11. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

BW & Associates, Inc. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

BW & Associates, Inc. clears all its trades through Girard Securities, Inc. ("Girard"), Member FINRA/SIPC. Girard, in turn, clears its trades through National Financial Services ("NFS") or through Pershing, except for such mutual funds and insurance products that may be held directly with the respective mutual fund or insurance company.

BW & Associates, Inc. handles all advisory accounts on a limited discretionary basis. Investment advice is implemented in a non-discretionary manner and requires the client's verbal approval. Discretion is exercised only to change the mutual fund allocation as needed to pay advisory fees.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As a matter of policy and practice, BW & Associates, Inc. does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: Underlying securities within Individual Portfolio Management Services accounts are monitored on an ongoing basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts are reviewed by: Laurel Hackett, Chief Compliance Officer.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide annual reports summarizing account performance, balances and holdings.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

It is BW & Associates, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

OTHER COMPENSATION

BWA pays its Supervised Persons, licensed personnel and otherwise, a salary and, if appropriate, and at the discretion of Ms Wusz, a bonus based on exemplary dedication and service. Otherwise Bonnie Wusz receives commission from the securities broker/dealer (Girard) which is subjected to a split arrangement with Laurel Hackett and some insurance companies pay Bonnie Wusz directly. No other licensed staff member of BWA is a "producing representative" of Girard and no other BWA employee (licensed or non-licensed) receives compensation directly from Girard.

Our firm and/or our officers and representatives may be eligible to receive an invitation to annual conferences that are intended to be educational in nature. In the past, educational trips of have been sponsored by our broker/dealer, Girard, and the American Funds Group. Girard has also sponsored a conference based on minimum production requirements. The last conference of this kind was held in June of 2015.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving educational trips based on production could create a conflict of interest, and could affect the judgment of these individuals when making recommendations.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their

statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send consolidated reports to our clients on an annual basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have custody of client accounts in any other manner.

Item 16 Investment Discretion

BW & Associates, Inc. handles all advisory accounts on a limited discretionary basis. Investment advice is implemented in a non-discretionary manner and requires the client's verbal approval. Discretion is exercised only to change the investment allocation as needed to pay advisory fees.

Clients give us limited discretionary authority when they sign a discretionary agreement with our firm.

As previously disclosed in Item 4 of this brochure, our firm does not provide un-limited discretionary asset management services; we manage client assets only on a limited-discretionary basis. Therefore, we will obtain the client's approval before executing goal and objective changing transactions in the client's account.

Item 17 Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

Item 18 Financial Information

As an advisory firm that maintains limited discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. BW & Associates, Inc. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

BW & Associates, Inc. has not been the subject of a bankruptcy petition at any time.