

## ITEM 1 – COVER PAGE

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### Teton Wealth Management, Inc.

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Jackson, Wyoming 83001

Phone: (307) 690-5273

Revised January 30, 2017

This brochure provides information about the qualifications and business practices of Teton Wealth Management. If you have any questions about the contents of this brochure, please contact us at: (307) 690-5273 or [richbloom.jh@gmail.com](mailto:richbloom.jh@gmail.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.

Teton Wealth Management is a SEC registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The oral and written communications of an advisor provide you with information about which you determine to hire or retain an advisor.

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

## ITEM 2 – MATERIAL CHANGES

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**This section discusses any material changes to this brochure since the date of our last annual update, which was February 29, 2016.**

- None

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that all registered investment advisors provide to clients.

This revised brochure dated January 30, 2017 is prepared in accordance with the revisions to Form ADV Part 2. The amended Form ADV 2 has been adopted for use by the Securities and Exchange Commission.

Currently, our brochure may be requested by contacting Rich Bloom, President of Teton Wealth Management at (307) 690-5273 or richbloom.jh@gmail.com. Brochures are provided free of charge.

Additional information about Teton Wealth Management is available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Teton Wealth Management who are registered as Investment Advisor Representatives.

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## ITEM 4 – ADVISORY BUSINESS

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Teton Wealth Management (“Advisor”) offers a wide range of investment advisory and financial planning services to its Clients. Advisor will analyze the Client’s financial goals and objectives and design an investment portfolio for the Client. Advisor will manage the account by evaluating mutual funds, exchanged traded funds, bond portfolios and various other marketable securities to determine specific investments.

Advisor may have either discretionary or non-discretionary authority to execute investment recommendations. Discretionary authority allows Advisor to act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets, without the Client’s prior approval. Non-discretionary authority requires the Advisor to obtain Client’s prior approval of each specific transaction prior to executing investment recommendations, as well as for the selection and retention of sub-advisors to the account.

Advisor will act in accordance with a Statement of Investment Policy (or similar document used to establish Client’s objectives and suitability), regardless of whether authority is discretionary or non-discretionary.

Advisor and Client will enter into an Investment Advisory Agreement which details the scope of the relationship and responsibilities of both Advisor and Client. Advice and services provided under the Investment Advisory Agreement are tailored to the stated objectives of the Client.

Advisor also offers Financial Planning Services. Advisor prepares written plans for all financial planning Clients. Advisor will gather all information necessary to provide Client with appropriate and agreed upon services. Clients should review their plans on a regular basis, based on their individual circumstances.

Client services may include:

- Asset Allocation/Investment Planning/Investment Policy Statements;
- Financial Independence/Retirement Planning;
- Capital Needs Analysis (Goal Funding);
- Income Tax Planning;
- Estate Planning;
- Education Planning;
- Risk Management (Life and Disability Insurance);
- Budgeting and cash flow planning;
- Business succession planning;
- Executive Compensation Planning Strategies; and
- Business Retirement Plan needs analysis.

We manage \$3,521,976 of Client assets on a discretionary basis and \$208,996 of client assets on a non-discretionary basis. These amounts were calculated as of December 31, 2016.

## ITEM 5 – FEES AND COMPENSATION

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Compensation to Advisor for its services will be calculated in accordance with “Schedule A” of the Investment Advisory Agreement, which may be amended from time to time by Advisor upon 30 days prior written notice to Client.

Fees are charged quarterly in arrears based upon the market value of the Account at the end of the quarter. Market value means the value of all assets in the account (not adjusted by any margin debit). For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers.

Management fees are prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals).

New accounts are pro-rated from the time the Advisor begins charging a fee to the client. Fees for partial quarters at the commencement or termination of this Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter. Advisory fees are deducted directly from Client custodial accounts upon submission of an invoice to the custodian. Advisor will provide a detailed notice to the client of the fee submitted to the custodian, detailing the amount of the fee, the value of the client's assets on which the fees are based, and the specific manner in which the fees are calculated. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account.

The custodian will send Clients statements at least quarterly reflecting the Client's Account value.

The fee will be calculated as follows:

1. The agreed upon rate per annum
2. Multiplied by the market value of the account
3. Divided by the number of days in the agreed upon year
4. Multiplied by the number of days in the quarter

### ***Investment Advisory Standard Fee Schedule***

Assets Under Management	Annual Fee
\$500,000 - \$1,000,000	1.00%
\$1,000,000 - \$2,000,000	0.85%
\$2,000,000 - \$3,000,000	0.75%
\$3,000,000 - \$5,000,000	0.65%
\$5,000,000 - \$10,000,000	0.55%
\$10,000,000+	Negotiable

Advisor charges a minimum annual fee of \$5,000.00 on assets less than \$500,000.

Where Advisor manages the portfolios of one or more immediate family members, Advisor will aggregate and bill the portfolio as a family account. When an individual or family account moves upward or downward during the quarter to the next tier, it will be billed that respective tier's percentage fee for the entire quarter.

### ***Financial Planning Fees***

Fees for planning services are based on an hourly rate of \$100.00 per hour. Advisor may also perform certain financial planning projects on a fixed fee basis.

Services performed on a fixed fee or hourly basis require an up front retainer equal to one-half the fixed fee, or the estimated number of hours to complete the project. The remaining balance will be billed in equal installments on a monthly basis until the project is completed. In no event will Advisor collect more than \$500 more than six months in advance from any Client.

All hourly rate and fixed fee project invoices are due within 10 days of invoice.

Advisor's fee will include any time and activities necessary to work with Client's attorney, accountant, or other third party as necessary to the project. However, Advisor's fee is separate and Advisor is not responsible for an attorney, accountant or other third party fee charged to Client as a result of the above activities.

Special arrangement may be made with clients wishing to retain financial planning services on an ongoing basis. Advisor may waive financial planning fees for those clients who are also investment advisory clients with assets over \$500,000 also managed by Advisor.

**In addition to Advisor's fee, Clients will incur certain charges imposed by custodians, brokers, third party investment and other third parties such as brokerage commissions and/or transaction fees. Clients may also incur fees charged by other managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes. 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 Advisor's fee.**

Item 12 describes the factors that Advisor considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Upon termination of any Account, any prepaid but unearned fees will be promptly refunded by Advisor. Any fees that have been earned but not yet paid by Client will be due and payable. Whether fees have been earned or unearned will be determined by Advisor in Advisor's sole discretion.

Notwithstanding the above, fees are generally negotiable. Accounts may be subject to a minimum fee rather than a percentage fee. The Advisor may modify the terms in this Section prospectively on at least 30 days prior written notice.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Advisor 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).

## **ITEM 7 – TYPES OF CLIENTS**

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Advisor provides portfolio management services to individuals, high net worth individuals, businesses, pension and profit-sharing plans, trusts, estates and charitable organizations.

Advisor's minimum account size is \$500,000. However, this minimum may be reduced or waived for any Client by Advisor in Advisors sole discretion.

Advisor does not require any managed assets to provide financial planning services.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

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Advisor offers advice on investments primarily including (but not limited to) the following:

- Equity securities such as: exchange-listed securities,
- Corporate debt securities
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States government securities

Advisor may recommend the use of separately managed stock and bond portfolios as well as alternative investments such as hedge funds when suitable and appropriate for a particular Client.

Advisor will primarily research and review securities using traditional fundamental analysis. The primary investment strategies used to implement investment advice given to clients include long term (securities held at least one year) and short term (securities sold within a year) purchases.

The main sources of information Advisor relies upon when researching and analyzing securities include traditional research materials such as financial newspapers and magazines, annual reports, prospectuses, filings with the SEC, as well as research materials prepared by others, and corporate rating services. Advisor also subscribes to various professional publications deemed to be consistent and supportive of Advisor's investment philosophy.

Any investing in securities involves risk of loss that clients should be prepared to bear. While Advisor will use its best judgment and good faith efforts in rendering services to Client, not every investment decision or recommendation made by Advisor will be profitable. Advisor cannot warrant or guarantee any particular level of account performance, or that an Account will be profitable over time.

Client assumes all market risk involved in the investment of account assets under the Investment Advisory Agreement and understands that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, Advisor will not be liable to Client for (a) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by Advisor with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from Advisor's adherence to Client's instructions or lack thereof; or (c) any act or failure to act by a custodian of Client's account.

Nothing in this Agreement shall relieve Advisor from any responsibility or liability Advisor may have under state or federal statutes.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

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Teton Wealth Management is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. Advisor has no information to disclose applicable to this Item.

#### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

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Neither Advisor nor its management personnel, are related to or have any relationship or arrangements which are material to its advisory business or clients with any of the following:

- a broker-dealer, municipal securities dealer, or government securities dealer or broker;
- an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund);
- another investment adviser or financial planner;
- a futures commission merchant, commodity pool operator, or commodity trading advisor;
- a banking or thrift institution;
- an accountant or accounting firm;
- a lawyer or law firm;
- an insurance company or agency;
- a pension consultant;
- a real estate broker or dealer; or
- a sponsor or syndicator of limited partnerships.



## ITEM 11 – CODE OF ETHICS

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Advisor 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 of Advisor must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisor or individuals associated with Advisor may buy and sell some of the same securities for its own account that Advisor buys and sells for its Clients. When appropriate the Advisor will purchase or sell securities for Clients before purchasing or selling the same securities for his own account. In some cases Advisor may buy or sell securities for its own account for reasons not related to the strategies adopted by the Advisor's Clients. Advisor's employees and other persons associated with Advisor are required to follow the Code of Ethics when making trades for their own accounts in securities which are recommended to and/or purchased for Clients. The Code of Ethics is designed to assure that the personal securities transactions will not interfere with making decisions in the best interest of advisory clients while at the same time, allowing employees to invest for their own accounts.

The Code of Ethics generally restricts trading in close proximity to client trading activity. However, certain classes of securities are designated as exempt transactions, meaning employees may trade these without prior permission because such trades would not materially interfere with the best interest of Advisor's clients. Nonetheless, because the Code of Ethics permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from the market activity of a client. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Advisor and its clients.

Advisor will disclose to advisory Clients any material conflict of interest relating to Advisor, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice. Advisor will notify Clients in advance of its policies in respect to officers trading for their own account including the potential conflict of interest that arises when recommending securities to Clients in which Advisor or its principal holds a position.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Advisor'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. Advisor 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.

It is Advisor's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Advisor will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an Advisor, 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 Advisor in relation to a transaction in which the investment Advisor, or any person controlled by or under common control with the investment Advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions often arise where an Advisor is dually registered as a broker-dealer or has an affiliated broker-dealer. Teton Wealth Management is neither dually registered nor has an affiliated broker-dealer.

Advisor's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Rich Bloom at (307) 690-5273 or richbloom.jh@gmail.com.

## **ITEM 12 – BROKERAGE PRACTICES**

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Except to the extent that the Client directs otherwise, the Advisor may use its discretion in selecting or recommending the broker-dealer. The Client is not obligated to effect transactions through any broker-dealer recommended by Advisor. In recommending broker-dealers, Advisor will generally seek "best execution." In recommending a broker-dealer the Advisor will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as:

- Price;
- The broker-dealer's facilities, reliability and financial responsibility;
- The ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
- Any other factors the Advisor considers to be relevant.

Advisor may receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions. Advisor may receive both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Subject to Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), Advisor may recommend broker-dealers who charge transaction fees that are in excess of the amount of transaction fees charged by other broker-dealers in recognition of their research, seminar and execution services.

The benefits noted above may be considered to be "soft dollar" arrangements. But for soft dollar arrangements, Advisor would have to obtain the aforementioned services and products for cash. As a result of receiving such products and services for no cost, Advisor has an incentive to recommend broker-dealers to Clients that offer soft dollar arrangements. This interest conflicts with the Clients' interest of obtaining the lowest commission rate available. Therefore, Advisor must determine in good faith, based on the "best execution" policy stated above that such transaction fees are reasonable in relation to the value of the services provided by such executing broker-dealers.

### **ITEM 13 – REVIEW OF ACCOUNTS**

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Client accounts are reviewed by Rich Bloom. The frequency of reviews is determined based on the Client's investment objectives, but in no event less than annually. Advisor will monitor the performance of investments in Client's Account and may recommend changes. More frequent reviews may also be triggered by a change in Client's investment objectives, tax considerations, large deposits or withdrawals, large sales or purchases, loss of confidence in corporate management, or, changes in macro-economic climate.

The Custodian will provide investment advisory clients, at least quarterly, a list of all assets held in the Account, asset values, and all transactions affecting the Account assets, including any additions or withdrawals.

Financial planning Clients receive financial plans and recommendations at time service is completed.

### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

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As previously stated in Item 12 above, Advisor may receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions.

The benefits noted above may be considered to be “soft dollar” arrangements. But for soft dollar arrangements, Advisor would have to obtain the aforementioned services and products for cash. As a result of receiving such products and services for no cost, Advisor has an incentive to recommend broker-dealers to Clients that offer soft dollar arrangements. This interest conflicts with the Clients' interest of obtaining the lowest commission rate available. Therefore, Advisor must determine in good faith, based on the “best execution” policy stated above that such transaction fees are reasonable in relation to the value of the services provided by such executing broker-dealers.

### **ITEM 15 – CUSTODY**

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Except for the Advisors ability to debit fees, Advisor does not otherwise have custody over Client funds and securities, and shall have no liability to the Client for any loss or other harm to any property in the account.

Clients will receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Advisor urges all Clients to carefully review such statements and compare such official custodial records to Account statements that we may provide to you. Advisor may also provide Clients with periodic reports on Client's account. These reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **ITEM 16 – INVESTMENT DISCRETION**

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Generally, the Advisor has the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the Client on a case by case basis. The Advisor makes it a practice to question Clients to determine if there are any limitations to the Advisor's discretionary authority on the above matters.

Unless otherwise instructed by Client, Advisor has ongoing and continuous discretionary authority to purchase and sell securities and instruments in this account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets.

Discretionary authority allows Advisor to make decisions without the prior approval of Client. However, Advisor will exercise this discretion in a manner consistent with the stated investment objectives for the particular client account. All transactions shall be made in accordance with the directions and preferences provided to the Advisor by the Client. Investment guidelines and restrictions must be provided to Advisor by Client in writing.

Client will also provide written instructions regarding Advisor's trading authority as required by each custodian.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

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Unless specifically directed otherwise in writing by the Client, Advisor is not authorized to and does not receive or vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios. At the request of a Client, Advisor may provide advice regarding the voting of proxies by the Client.

#### **ITEM 18 – FINANCIAL INFORMATION**

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Registered investment Advisors are required to provide you with certain financial information or disclosures about their financial condition. Advisor 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.