

**DANIEL M. MCDERMOTT
PART 2B BROCHURE SUPPLEMENT**

Item 1 – Cover Page

Daniel M. McDermott
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Date of Supplement: March, 2016

This brochure supplement provides information about Daniel M. McDermott that supplements the McDermott Advisory Group brochure. You should have received a copy of that brochure. Please contact Christine Harmon at 302-778-5677 ext. 11 or at office@wealthguide.net if you did not receive the McDermott Advisory Group brochure or if you have any questions about the contents of this supplement.

Additional information about Daniel M. McDermott is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

Daniel M. McDermott
Date of Birth: 01/17/1964

Educational Background:

West Chester University, Grad. 1987, B.S., Business

Business Experience:

McDermott Advisory Group, Financial Advisor, 12/14/05 – Present
Cambridge Investment Research, Inc., Reg. Representative, 04/05-present
Commercial Property Owner: 3520 Silverside Road, Suite 25, Wilmington, DE 19810, 10/09 to Present
Topkis & McDermott, Financial Advisor, 05/99-12/13/05
Walnut Street Securities, Reg. Rep., 08/03-04/05
Nathan & Lewis, Reg. Rep., 05/99-08/03
1717 Capital Management, Reg. Rep., 8/87-5/99

Professional Designations:

Mr. McDermott maintains the following professional designations:

- Certified Financial Planner (CFP)
- Chartered Financial Consultant (ChFC)
- Accredited Investment Fiduciary (AIF)

Below is a description of each of these professional designations:

Certified Financial Planner (CFP)

CFP Acknowledgment:

Daniel M. McDermott is a CERTIFIED FINANCIAL PLANNER™ certificant or CFP® certificant and according to CFP® Rules of Conduct, Mr. McDermott must provide his clients with his contact information, information about the services he provides, any conflicts of interest that he may have related to the provision of services, and the costs to clients associated with the services being provided. These important disclosures are contained in the Form ADV Part 2A Disclosure Brochure. Descriptions of the specific advisory and financial planning services provided to each client are contained in each client's agreement with McDermott Advisory Group.

Mr. McDermott has acknowledged his responsibility as a CFP® certificant to adhere to the standards that have been established in the CFP® Board's Standards of Professional Conduct. If a client believes Mr. McDermott's conduct may violate the Standards of Professional Conduct, the client may file a complaint with the CFP® Board at www.CFP.net/complaint. Please contact Mr. McDermott if you have any questions regarding his CFP® certificant or these disclosures.

Description of CFP® Designation:

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional*

Conduct, to maintain competence and keep up with developments in the financial planning field; and

- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Chartered Financial Consultant (ChFC)

The ChFC certification signifies that an individual has undergone a course of study which prepared them to meet the advanced financial planning needs of individuals, professionals, and small business owners. To obtain the ChFC certification, candidates must complete the selected curriculum, meet experience requirements and ethics standards, and agree to comply with The American College Code of Ethics and Procedures. ChFC designees have completed a rigorous educational process that covered key financial planning disciplines, including insurance, income taxation, retirement planning, investment, and estate planning. ChFC designees are required to adhere to the highest level of professionalism. The ChFC designation is administered through the American College.

Accredited Investment Fiduciary (AIF)

The AIF certification signifies that an individual has a thorough knowledge of and ability to apply the fiduciary practices. To obtain the AIF certification, candidates must complete a training curriculum and then pass an AIF exam. AIF designees are required to adhere to a strict code of ethics. In order to maintain an AIF license, AIF designees must complete six hours of continuing professional education each year.

Item 3 – Disciplinary Information

Daniel M. McDermott has no legal or disciplinary events to report.

Item 4 – Other Business Activities

Registered Representative of Cambridge Investment Research, Inc.

Although McDermott Advisory Group ("MAG") does not sell products or services other than investment advice, Daniel McDermott is separately licensed as a registered representative with Cambridge Investment Research, Inc. (CIR), a registered securities broker/dealer, member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investors Protection Corporation (SIPC). When acting in his separate capacity as a registered representative of CIR, Mr. McDermott may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to advisory clients. As such, Mr. McDermott may suggest that advisory clients implement investment advice by purchasing securities products through a commission-based CIR account in addition to a MAG advisory account.

The receipt of commissions creates an incentive for Mr. McDermott to recommend those products for which he will receive a commission. Consequently, the objectivity of the advice rendered to clients could

be biased. Mr. McDermott controls for this potential conflict of interest by discussing with clients both the advantages and disadvantages of establishing a fee-based account through MAG versus establishing a commission-based account through CIR. MAG does not require its advisor representatives to encourage clients to implement investment advice through CIR.

Mr. McDermott does not earn commissions in fee-based accounts.

Mr. McDermott will receive 12b-1 fees from certain mutual fund companies as outlined in the fund's prospectus. 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for Mr. McDermott to recommend funds with 12b-1 fees over funds that have no fees or lower fees. Mr. McDermott will receive 12b-1 fees only in commission-based brokerage accounts.

Clients are never obligated or required to establish accounts through MAG or CIR. However, if a client does not choose to accept Mr. McDermott's advice or decides not to establish an account through CIR, Mr. McDermott may not be able to provide management and advisory services to the client. Clients should understand that, due to certain regulatory constraints, Mr. McDermott, in his capacity as a CIR registered representative must place all purchases and sales of securities products in commission-based brokerage accounts through CIR or other institutions approved by CIR.

Insurance Agent

Daniel M. McDermott is independently licensed to sell insurance and annuity products through various insurance companies. When acting in this capacity, Mr. McDermott receives commissions for selling insurance and annuity products.

Mr. McDermott may also receive other incentive awards for the recommendation/sale of annuities and other insurance products. The receipt of compensation and other incentive benefits may affect the judgment of Mr. McDermott when recommending products to his clients. While Mr. McDermott endeavors at all times to put the interest of his clients first as a part of MAG's overall fiduciary duty to clients, clients should be aware that the receipt of commissions and additional compensation itself creates a conflict of interest, and may affect Mr. McDermott's decision making process when making recommendations.

Clients are never obligated or required to purchase insurance products from or through Mr. McDermott and may choose any independent insurance agent and insurance company to purchase insurance products. Regardless of the insurance agent selected, the insurance agent or agency will receive normal commissions from the sale.

Item 5 – Additional Compensation

Certain product sponsors may provide Mr. McDermott with other economic benefits as a result of his recommendation or sale of the product sponsors' investments. The economic benefits received by Mr. McDermott from product sponsors can include but are not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, and tools to assist Mr. McDermott in providing various services to clients.

Although MAG and Mr. McDermott endeavor at all times to put the interest of their clients ahead of their own interests or those of MAG's officers, directors, or representatives ("affiliated persons"), these

arrangements present a conflict of interest which could affect the judgment of Mr. McDermott when recommending investment products.

Item 6 – Supervision

Daniel M. McDermott is the Chief Compliance Officer of McDermott Advisory Group. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and services provided by the firm and its representatives, including himself. He can be contacted at 302-778-5677.

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