

# KIELY WEALTH ADVISORY GROUP INC.

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## 2018 FIRM BROCHURE, FORM ADV, PART IIA

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This Brochure provides information about the business practices and qualifications of Kiely Wealth Advisory Group, Inc. (herein referred to as KWAG). KWAG is a registered investment advisory firm with the United States Securities and Exchange Commission. Pursuant to the new “brochure rule”, KWAG will periodically update FORM ADV, PART II, by providing a written document to all clients with whom the firm enters into an investment advisory or investment management contract.

If you have any questions about the contents of this Brochure, please contact us at 252-439-1888 or visit [www.thekielygroup.com](http://www.thekielygroup.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.

Additional information about KWAG is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **ITEM 2 – MATERIAL CHANGES**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure, dated 2011, is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this specific item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past, we have offered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Currently, our Brochure may be requested by contacting Kathryn Miceli, Chief Compliance Officer, at 252-439-1888 or [katie@thekielygroup.com](mailto:katie@thekielygroup.com). Our Brochure is also available on our web site [www.thekielygroup.com](http://www.thekielygroup.com), also free of charge.

Additional information about KWAG is also 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 KWAG who are registered, or are required to be registered, as investment adviser representatives of KWAG.

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#### Brochure Supplement(s)

- Appendix 1 - Joseph K. Kiely
- Appendix 2 - Scott D. Below
- Appendix 3 - Riley B. Cordell
- Appendix 4 – Richard Cauchon

#### **ITEM 4 – ADVISORY BUSINESS**

Kiely Wealth Advisory Group, Inc. (“KWAG” or “we”) generally provides investment supervisory services to individually managed accounts for individuals and/or institutional clients (each a “Client” and collectively, the “Clients”). Below are the types of services we provide to our Clients.

- **Education** – We provide investment education through seminars, one-on-one consultations, group presentations, publications and various media communications that are designed to help individuals more successfully manage their investments by learning to avoid the many pitfalls associated with investing.
- **Investment Planning and Asset Management** – In those cases where an individual has sufficient time and/or interest in managing his/her assets, we will plan and execute a personal investment strategy based on his/her current financial situation, risk tolerance, goals, etc.
- **Individual Retirement Planning** – Because employee-sponsored retirement plans play a significant role in comprehensive financial planning, we make a special effort to educate both individuals and organizations about effective participation in these plans, how they work, how to make sound choices regarding the options available within the plans, as well as the options that are available when someone leaves a company or retires.
- **Corporate Retirement Planning** – We develop plans suitable for a particular organization, engage a plan administrator, provide on-going education to both management and employees about the plan, and manage the plan’s investments.
- **Other Services** – Frequently, we will encounter individuals with obvious gaps in their plans for a secure financial future. As we see needs that extend beyond the scope of portfolio development, we are prepared to help the individual address those needs by making appropriate referrals to qualified and knowledgeable individuals and organizations that we believe adhere to a philosophy of putting the Client’s best interest first. Such referrals include attorneys specializing in estate planning, CPAs providing tax planning advice, independent insurance agents providing policies to meet life insurance and/or long-term care insurance needs, etc.

## **ITEM 4 – ADVISORY BUSINESS**

### **MISCELLANEOUS**

**No Financial Planning/Consulting Services.** KWAG **does not** hold itself out as providing, nor does it provide, any financial planning or related consulting services. Neither KWAG, nor any of its representatives, serves as an attorney, accountant, or insurance agent, and no portion of KWAG's services should be construed as same. To the extent requested by a client, KWAG may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from KWAG. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

**Please Note-Use of Mutual Funds:** Most mutual funds are available directly to the public. Thus, a prospective client can obtain many of the mutual funds that may be recommended and/or utilized by KWAG independent of engaging KWAG as an investment advisor. However, if a prospective client determines to do so, he/she will not receive KWAG's initial and ongoing investment advisory services.

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by KWAG) will be profitable or equal any specific performance level(s).

**Client Obligations.** In performing its services, KWAG shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify KWAG if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising KWAG's previous recommendations and/or services.

**Please Note: Retirement Rollovers-No Obligation/Conflict of Interest:** A client or prospective client is under absolutely no obligation to engage KWAG as the investment adviser for his/her employer sponsored retirement account. Rather, a client can continue to self-direct his/her retirement account at his/her employer. If the client determines that he/she would like KWAG's assistance, KWAG shall charge a separate and additional advisory fee for its ongoing advisory services. The client will not incur this separate and additional advisory fee if he/she

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determines to continue to self-direct his/her account. As a result, any recommendation by KWAG that a client engage KWAG to manage his/her retirement account presents a conflict of interest since KWAG shall derive an economic benefit from such engagement. Again, a client is under absolutely no obligation to engage KWAG as the investment adviser for his/her retirement account. **ANY QUESTIONS:** KWAG's Chief Compliance Officer, Katie Miceli, remains available to address any questions that a client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement

## **ITEM 5 – FEES AND COMPENSATION**

- Fees are paid quarterly in arrears. Hourly fees are due within 30 days of service rendered (*i.e.*, no advance payments).
- Other fees a Client may encounter when transferring assets to and doing business with KWAG. These fees are not imposed by or collected by KWAG.
  1. The broker or custodian may impose fees for closing an account, buying or selling proprietary products or similar services. Certain mutual funds charge "loads" to purchase or sell their funds. "A" shares require payment of an up-front fee or load. "B" shares provide for no up-front fee but charge a back-end load if the shares are sold within a certain time period. While we do not recommend these funds to Clients, a Client who already owns "B" shares or other such classes of such funds transfers them to KWAG and sells them before the required retention period, or fails to meet some other criteria, may be charged "back-end loads" or other fees imposed by such funds.
  2. In addition to the KWAG's advisory fees, mutual funds charge certain management fees and may also charge 12b-1 fees as part of the expense of operating the funds. Such fees are ultimately borne by the Client. All fees paid to KWAG for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds 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. Accordingly, a Client should review both the fees charged by the funds and the fees charged by KWAG to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided.

If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge as well. The services of KWAG are designed, among other things, to assist the Client in determining which mutual fund or funds are most appropriate to each Client's financial condition and objectives.

In selecting mutual fund investments, KWAG may have a choice of options among classes of a fund's shares or funds with or without sales commissions and transaction

fees, or among funds with similar investment objectives and strategies but different operating costs, 12b-1 fees or other costs. Higher operating costs and 12b-1 fees will negatively impact total return. Different classes of a fund's shares and funds with lower or no explicit sales commissions or transaction fees may have higher operating costs. In determining which fund or which class of a fund's shares is most appropriate for a client, KWAG will take into consideration the anticipated holding period, the number of anticipated transactions to be made in the client's account, a client's stated preferences regarding commissions and transaction fees, the size and tax status of the client's current and anticipated investments, and other factors. KWAG may not always select the options with the lowest operating cost or lowest explicit commission or transaction cost if KWAG believes the client's investment objectives and preferences will be better achieved by use of another fund or class of a fund's shares.

3. Transaction fees are charged by brokers executing trades in certain mutual funds and on all individual stock and bond trades.
- Fees for management of qualified retirement plans and personal or trust accounts are as follows and on an annual basis:

<b>Basis Points</b>	<b>Assets</b>
100	\$0 - \$999,999
80	\$1,000,000 - \$1,999,999
70	\$2,000,000 - \$4,999,000
50	\$5,000,000 - \$10,000,000
Negotiable	Over \$10,000,000

All fees and account minimums are negotiable.

KWAG generally requires a \$100,000 minimum account value for full investment supervisory services. Hourly fees are charged for other than full management services and will be determined by the advisor.

KWAG, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its aggregate account minimum based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

**FURNISHES ADVICE ABOUT SECURITIES IN ANY MANNER NOT DESCRIBED ABOVE:**

- **Books** – Books containing the material covered in the seminars are sold to seminar participants and to the general public. "Investment Strategies for the 21<sup>st</sup> Century" by Dr. Joseph K. Kiely. The cost is \$20.00.

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- **Speaking Engagements** – Speakers are provided upon request to civic groups, professional organizations, corporations, local government and other organizations. When appropriate, an hourly fee is charged. There is no cost to participants.

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

KWAG does not charge 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**

KWAG provides portfolio management services to:

- |   |                              |
|---|------------------------------|
| - individuals                             | - high net worth individuals |
| - corporate 401K and profit-sharing plans | - charitable institutions    |
| - foundations & endowments                | - trust programs             |
| - educational retirement plans, 529 Plans |                              |

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

KWAG may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices);
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts); and
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices).

KWAG may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year); and
- Short Term Purchases (securities sold within a year).

**Please Note: Investment Risk.** Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should

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not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by KWAG) will be profitable or equal any specific performance level(s).

Our main sources of analysis comes from: financial newspapers and magazines; research material prepared by others; corporate rating services; company press releases; annual report and prospectus filings with the SEC; and Morningstar Advisor, which is used to analyze mutual funds as well as current and recommended investment portfolios.

## **ITEM 9 – DISCIPLINARY INFORMATION**

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

In September 2004, the SEC filed charges against KWAG (formerly Kiely Financial Services, Inc) and its principal, Joseph K. Kiely, alleging that although they received cash payments from TDA (formerly TD Waterhouse "TDW"), they did not disclose to their clients that the receipt of such payments posed a potential conflict of interest between them and their clients. KWAG and Dr. Kiely, without admitting or denying the SEC's charges, agreed to settle the charges by agreeing to (i) disgorge to their clients the cash payments they received from TDA, plus interest; (ii) pay a civil penalty to the SEC; and (iii) cease and desist from committing or causing violations of Sections 206(1), 206(2), and 207 of the Investment Advisers Act of 1940.

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

### **TDA payments to KWAG**

KWAG, from time to time in the past, has entered into arrangements with TDA whereby TDA made certain payments to KWAG to defray some of KWAG's marketing, operational and other expenses, which include, but are not limited to, any and all expenses relating to investment seminars sponsored by KWAG from time to time. Both KWAG's existing and prospective clients attended these seminars. These payments from TDA to KWAG in the past varied depending upon the amount of transactions (including transactions respecting No-Transaction Fee (NTF) mutual funds) directed to, or amount of assets custodied by, TDA. These arrangements with TDA had the potential to create a conflict of interest between KWAG and a Client because KWAG might have been influenced to invest a Client's account in NTF mutual funds which

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usually pay TDA an asset-based fee to participate in TDA's mutual fund supermarket program, and which may have had higher operating costs. For this reason, KWAG has terminated all such arrangements. KWAG may, however, enter into other arrangements in the future provided that they do not create a conflict of interests and are done so with appropriate disclosure to and consent of affected Clients.

#### **Additional benefits to KWAG from its relationship with TDA**

While there is no direct linkage (except certain circumstances and as noted above) between the investment advice given to Clients and KWAG's participation in various TDA programs, economic benefits are received by KWAG as a result of KWAG's relationship with TDA, which benefits would not be available to KWAG if KWAG's clients did not use TDA for custody. These benefits do not depend on the amount of transactions directed by KWAG to TDA (except in certain circumstances and as noted above). These benefits may include, but are not limited to:

- (1) A dedicated trading desk that services participants exclusively;
- (2) A dedicated service group and account services managers dedicated to KWAG's accounts;
- (3) Access to real-time order matching systems ability to "block" Client trades;
- (4) Electronic download of trades, balances and positions;
- (5) Access, for a fee, to an electronic interface with TDA's software;
- (6) Duplicate and batched Client statements, confirmations and year-end summaries;
- (7) The ability to have advisory fees directly debited from Client accounts (in accordance with federal and state requirements);
- (8) Availability of third-party research and technology; and
- (9) Access to TDA mutual funds;
- (10) Access to over 350 mutual fund families and 4,500 mutual funds NOT affiliated with TDA of which over 2,000 have no transaction fee;

#### **ITEM 11 – CODE OF ETHICS**

KWAG has adopted a Code of Ethics and Certificate of Compliance as part of its duty to its employees and as part of its fiduciary duty to its clients. It is in our belief that this document sets a high standard of ethics and conduct in all of our business relationships. The Code sets forth specific policies involving but not limited to: general standards of conduct, compliance with rules and regulations governing our company, preservation of confidentiality, insider trading, email communication, reporting of violations, annual employee reporting, disciplinary actions if code is violated, waivers and finally a signed certificate stating that the employee agrees to abide by the Code of Ethics. The Code of Ethics applies to all employees and officers.

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It is part of our fiduciary duty to our clients to put their best interest before ours. We feel that this code not only sets a standard of high ethical conduct, but also gives proof of our commitment to our clients. This Code will be delivered on an annual basis during the KWAG Compliance Training.

A copy of the most current Code of Ethics is also available for clients or prospective clients. If they wish to obtain a copy, please contact our headquarters branch in Greenville, NC.

KWAG anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which KWAG has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which KWAG, its clients, directly or indirectly, have a position of interest. KWAG's employees and persons associated with KWAG are required to follow KWAG's Code of Ethics. Subject to satisfying this policy and applicable laws, officers and employees of KWAG often own some of the same mutual funds that are recommended to Clients who are of a similar personal and financial means. Since these are open-end mutual funds and no fees or commissions are involved, we believe there is no conflict of interest. Records are kept of all transactions.

KWAG or individuals associated with KWAG may buy or sell securities identical to or different than those recommended to Clients for their personal accounts. In addition, any related person(s) may have an interest or position in a security that may also be recommended to a Client.

It is the express policy of KWAG that no person employed by KWAG may purchase or sell any security prior to a transaction being implemented for a Client, thereby preventing such employees from benefiting from transactions placed on behalf of such Client.

As these situations represent a conflict of interest, KWAG has established the following restrictions in order to ensure its fiduciary responsibilities:

1. Any officers or employees of KWAG shall not buy or sell securities for their own personal account(s) where their decision is substantially derived by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.
2. No person shall prefer his or her own interest to that of a Client.
3. KWAG emphasizes the right of the Client to accept or decline the investment recommendations made KWAG.
4. KWAG also emphasizes the Client's right to select any broker/dealer he/she wishes.

5. KWAG requires that all individuals must act in accordance with applicable federal and state regulations regarding our investment advisory services.

KWAG will retain records of the trade order (specifying each participating account) and its allocation. Completed orders will be allocated as specified in the initial trade order.

KWAG's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting (Katie Miceli).

It is KWAG's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

## **ITEM 12 – BROKERAGE PRACTICES**

In the event that the client requests that KWAG recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the KWAG to use a specific broker-dealer/custodian-*see below*), KWAG generally recommends that investment management accounts be maintained at *TD Ameritrade*. Prior to engaging KWAG to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with KWAG setting forth the terms and conditions under which KWAG shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the KWAG considers in recommending *TD Ameritrade* (or any other broker-dealer/custodian to clients) include historical relationship with the KWAG, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by KWAG's clients shall comply with the KWAG's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where KWAG determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although KWAG will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage

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commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, KWAG's investment management fee. KWAG's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

#### Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, KWAG may receive from *TD Ameritrade* (or another broker-dealer/custodian, investment, platform or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist KWAG to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by KWAG may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by KWAG in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that may be received may assist the KWAG in managing and administering client accounts. Others do not directly provide such assistance, but rather assist KWAG to manage and further develop its business enterprise.

KWAG's clients do not pay more for investment transactions effected and/or assets maintained at *TD Ameritrade* as a result of this arrangement. There is no corresponding commitment made by KWAG to *TD Ameritrade*, or any other any entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

**KWAG's Chief Compliance Officer, Katie Miceli, remains available to address any questions that a client or prospective client may have regarding the above arrangements and any corresponding perceived conflict of interest such arrangement may create.**

KWAG may consider accepting directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and KWAG will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by KWAG. As a result, client may pay higher

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commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs KWAG to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through KWAG.

**TDA payments to KWAG:** Please see Item 10: Industry Activities and Affiliations for more information on our relationship with TD Ameritrade.

#### **Payments to KWAG from mutual fund companies**

KWAG, from time to time in the past, had arrangements with several unaffiliated mutual funds (the "Mutual Funds"), whereby the Mutual Funds paid for certain marketing, operational and/or other expenses, which included, but were not limited to, certain costs for dinner seminars for clients and prospective clients (such as marketing, food and restaurant facilities and services). This expense coverage by the Mutual Funds enabled KWAG to enhance communications with current Clients and to reach a greater number of prospective Clients. Since KWAG recommended that clients invest in one or more of these Mutual Funds in the past, this arrangement may have created a conflict of interest between KWAG and a Client. For this reason, KWAG has terminated all such arrangements. KWAG may, however, enter into other similar arrangements in the future provided that they do not create a conflict of interests and are done so with appropriate disclosure to and consent of affected Clients

### **ITEM 13 – REVIEW OF ACCOUNTS**

Accounts are generally reviewed daily by the relevant advisors assigned to the accounts. Account reviews focus on each account's strategy and evaluate all securities using fundamental and technical analysis. Each advisor reviews approximately 25-200 accounts.

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Advisors assigned to such accounts. Account reviews focus on each account's strategy and evaluate all securities using fundamental and technical analysis. All clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or telephonically) are encouraged to review investment objectives and account performance with the Registrant on an annual basis.

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We provide quarterly reports to clients, which discuss general account performance, fees, and expenses.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Those clients to whom Registrant provides investment supervisory services will also receive a quarterly report from the Registrant summarizing account activity, portfolio holdings, values and performance

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

KWAG may employ solicitors to whom it will pay cash or a portion of the advisory fees paid by Clients referred to it by those solicitors. In such cases, this practice will be disclosed in writing to the Client and KWAG will comply with the other applicable requirements under the Rule 206(4)-3 under the Advisers Act.

Please also see Section 10 and 12 of this Brochure for other payment to KWAG.

#### **ITEM 15 – CUSTODY**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. KWAG urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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

In accordance with the terms of the investment advisory agreement that KWAG has with certain Clients, KWAG does have discretionary authority to make the following determination without obtaining the consent of such Clients before the transactions are effected: the securities and total amount of securities to be bought or sold for billing purposes and

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occasional rebalancing. KWAG's authority may be subject to conditions imposed by a Client, examples of which include:

- (1) the Client restricts or prohibits transactions in securities of a specific industry;
- (2) the Client directs the purchase of a security that would not have been recommended by KWAG; and
- (3) the Client directs that transactions be effected through specific broker-dealers.

When a Client directs the purchase of securities that KWAG would not have otherwise recommended for its Client accounts, the Client accepts full responsibility for the purchase and all related impact that the security has on the Client account.

Directed brokerage by the Client may be conditioned by the Client on the broker-dealer being competitive as to price and execution for each transaction, or offering a specified level of commission discount or may be subject to varying degrees of restrictions such as an instruction to utilize the broker-dealer: (a) whether or not competitive, and (b) where the specified levels of commission discounts are less favorable than might otherwise be obtained by KWAG.

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

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

## **ITEM 18 – FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about KWAG's financial condition. KWAG 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.

**ANY QUESTIONS: KWAG's Chief Compliance Officer, Katie Miceli, remains available to address any questions regarding this Part 2A.**

# **KIELY WEALTH ADVISORY GROUP INC.**

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**2016 FIRM BROCHURE, FORM ADV, PART IIB**

**BROCHURE SUPPLEMENTS**

**KIELY WEALTH ADVISORY GROUP, INC.**

## **APPENDIX 1**

### **ITEM 1 – ADVISOR INFORMATION**

**JOSEPH KINCH KIELY, PhD**

**Kiely Wealth Advisory Group, Inc**

P.O. Box 756 | Oak Ridge, NC 27310

(877) 366 -5623

[www.thekielygroup.com](http://www.thekielygroup.com)

This Brochure Supplement provides information about Joseph Kiely that supplements the Kiely Wealth Advisory Group (“KWAG”) Brochure. You should have received a copy of that Brochure. Please contact Kathryn Miceli, Chief Compliance Officer, at 877-366-5623, if you did not receive KWAG’s Brochure or if you have any questions about the contents of this Brochure Supplement.

### **ITEM 2 – EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Born:** 1962

**Education:**

University of Tampa; BA in Mathematics/Management; 1984

University of South Florida; MBA in Finance; 1988

Texas A & M University; PhD in Finance; 1993

**Business Experience:**

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East Carolina University; Professor, 1993-1997  
Kiely & Wood Properties; Real Estate Partner; 1995-1998  
Kiely Wealth Advisory Group, Inc. (Formerly KFS); President/CEO; 1996-present  
TD Waterhouse; Member of Advisory Board; 2001-2006  
Retirement Educational Services, LLC; President/ CEO; 2006-2007

### **ITEM 3 – DISCIPLINARY INFORMATION**

In September 2004, the SEC filed charges against KWAG (formerly Kiely Financial Services, Inc) and its principal, Joseph K. Kiely, alleging that although they received cash payments from TDA (formerly TD Waterhouse “TDW”), they did not disclose to their clients that the receipt of such payments posed a potential conflict of interest between them and their clients. KWAG and Dr. Kiely, without admitting or denying the SEC’s charges, agreed to settle the charges by agreeing to (i) disgorge to their clients the cash payments they received from TDA, plus interest; (ii) pay a civil penalty to the SEC; and (iii) cease and desist from committing or causing violations of Sections 206(1), 206(2), and 207 of the Investment Advisers Act of 1940.

### **ITEM 4 – OTHER BUSINESS ACTIVITIES**

Registered investment advisers are required to disclose any other related business activities that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **ITEM 5 – ADDITIONAL COMPENSATION**

Dr. Kiely does not participate in any other business activities therefore he does not receive compensation from third parties for providing advisory services.

### **ITEM 6 – SUPERVISION**

Dr. Kiely’s client accounts are subject to regular review and verification that asset balances are being managed in accordance with a client’s investment guidelines. If you need to contact another senior employee of the Firm, Kathryn Miceli can be reached at P.O. Box 756, Oak Ridge, NC 27310 or by phone at (877) 366-5623.

## **APPENDIX 2**

### **ITEM 1 – ADVISOR INFORMATION**

**SCOTT DOUGLAS BELOW, PhD**

**Kiely Wealth Advisory Group, Inc**

P.O. Box 756 | Oak Ridge, NC 27310

(877) 366 -5623

[www.thekielygroup.com](http://www.thekielygroup.com)

This Brochure Supplement provides information about Scott Below that supplements the Kiely Wealth Advisory Group (“KWAG”) Brochure. You should have received a copy of that Brochure. Please contact Kathryn Miceli, Chief Compliance Officer, at 877-366-5623, if you did not receive KWAG’s Brochure or if you have any questions about the contents of this Brochure Supplement.

### **ITEM 2 – EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Born:** 1958

**Education:**

South Dakota State University; BS in Commercial Economics; 1986

South Dakota State University; MS in Economics; 1990

University of Kentucky; PhD in Finance; 1994

**KIELY WEALTH ADVISORY GROUP, INC.**

**Business Experience:**

Merrill Lynch; Broker; 1987-1988

Piper, Jaffray & Hopwood; Broker; 1988-1989

East Carolina University; Professor of Finance/Department Chair; 1993-present

Rydex Global Advisor; Research Consultant; 1999-2003

Kiely Wealth Advisory Group, Inc. (Formerly KFS); Chief Investment Analyst/Senior Wealth Advisor; 2004-present

**ITEM 3 – DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose any disciplinary information that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

**ITEM 4 – OTHER BUSINESS ACTIVITIES**

The Professor of Finance and Department Chair activities described in Item 2 above, in aggregate, involve slightly over 50% of Dr. Below's time.

**ITEM 5 – ADDITIONAL COMPENSATION**

Dr. Below is a salary paid employee for East Carolina University as a professor. Therefore he does not receive compensation from any third parties for providing advisory services.

**ITEM 6 – SUPERVISION**

Dr. Below's client accounts are subject to regular review and verification that asset balances are being managed in accordance with the client's investment guidelines. If you need to contact another senior employee of the Firm, Kathryn Miceli can be reached at P.O. Box 756, Oak Ridge, NC 27310 or by phone at (877) 366-5623.

### **APPENDIX 3**

#### **ITEM 1 – ADVISOR INFORMATION**

## **RILEY BROWN CORDELL, RIS**

### **Kiely Wealth Advisory Group, Inc**

P.O. Box 756 | Oak Ridge, NC 27310

(877) 366 -5623

[www.thekielygroup.com](http://www.thekielygroup.com)

This Brochure Supplement provides information about Brownie Cordell that supplements the Kiely Wealth Advisory Group (“KWAG”) Brochure. You should have received a copy of that Brochure. Please contact Kathryn Miceli, Chief Compliance Officer, at 877-366-5623, if you did not receive KWAG’s Brochure or if you have any questions about the contents of this Brochure Supplement.

#### **ITEM 2 – EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Born:** 1943

**Education:**

Furman University; BA in Education; 1965

Certified Senior Consultant; IBF Designation; 2004

**Business Experience:**

Brody’s, Inc.; Director of Operations; 1996-2000

Kiely Wealth Advisory Group, Inc. (Formerly KFS); Senior Wealth Manager; 1997-present

David Hill & Associates; Agency Coordinator; 2002-2007

**KIELY WEALTH ADVISORY GROUP, INC.**

### **ITEM 3 – DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose any disciplinary information that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **ITEM 4 – OTHER BUSINESS ACTIVITIES**

Mr. Cordell does not participate any other business activities.

### **ITEM 5 – ADDITIONAL COMPENSATION**

Mr. Cordell does not participate in any other business activities therefore he does not receive compensation from third parties for providing advisory services.

### **ITEM 6 – SUPERVISION**

Mr. Cordell's client accounts are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines. If you need to contact another senior employee of the Firm, Kathryn Miceli can be reached at P.O. Box 756, Oak Ridge, NC 27310 or by phone at (877) 366-5623.



## **APPENDIX 4**

### **ITEM 1 – ADVISOR INFORMATION**

**RICHARD CAUCHON**

**Kiely Wealth Advisory Group, Inc**

P.O. Box 756 | Oak Ridge, NC 27310

(877) 366 -5623

[www.thekielygroup.com](http://www.thekielygroup.com)

This Brochure Supplement provides information about Richard Cauchon that supplements the Kiely Wealth Advisory Group (“KWAY”) Brochure. You should have received a copy of that Brochure. Please contact Kathryn Miceli, Chief Compliance Officer, at 877-366-5623, if you did not receive KWAG’s Brochure or if you have any questions about the contents of this Brochure Supplement.

### **ITEM 2 – EDUCATION BACKGROUND AND BUSINESS EXPERIENCE**

**Born:** 1944

**Education:**

Naval Post Grad School, MS Systems Technology, 1978

The University of Texas Austin, BA Math & Computer Science, 1971

**Business Experience:**

Sensis Corp; NY State Lobbyist, 2013

Cauchon & Associates; Owner, 1999

**KIELY WEALTH ADVISORY GROUP, INC.**

### **ITEM 3 – DISCIPLINARY INFORMATION**

Registered investment advisers are required to disclose any disciplinary information that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **ITEM 4 – OTHER BUSINESS ACTIVITIES**

Mr. Cauchon does not participate any other business activities.

### **ITEM 5 – ADDITIONAL COMPENSATION**

Mr. Cauchon does not participate in any other business activities therefore he does not receive compensation from third parties for providing advisory services.

### **ITEM 6 – SUPERVISION**

Mr. Cauchon's client accounts are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines. If you need to contact another senior employee of the Firm, Kathryn Miceli can be reached at P.O. Box 756, Oak Ridge, NC 27310 or by phone at (877) 366-5623.