

# Woodstock Wealth Management, Inc.

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Firm IARD Number: 283472

## FORM ADV Part 2A

### Item 1 - Cover Page

March 30, 2019

This Brochure provides information about the qualifications and business practices of Woodstock Wealth Management, Inc., “WWM”. If you have any questions about the contents of this Brochure, please contact us at 800-279-4468. 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.

Woodstock Wealth Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Woodstock Wealth Management, Inc. also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

This Brochure dated March 30, 2019 is an annual updating amendment to the Brochure dated August 20, 2018. There were no material changes made to the Brochure.

Pursuant to regulations, 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. We may provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary or required based on changes or new information, at any time, without charge, currently, our Brochure can be requested by contacting our firm at 800-279-4468.

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## **Item 4 - Advisory Business**

### **Advisory Firm Description**

Woodstock Wealth Management, Inc. (“WWM”) is a financial services firm that offers financial planning and investment services, and investment advisory products and services to clients primarily in the United States.

WWM was founded in 2010. Recently in 2018, the firm sought and obtained registration with the Securities & Exchange Commission as an investment advisory firm. Accordingly, as of December 31, 2018 the firm managed \$252,657,039 in assets, all of which was managed on a discretionary basis. WWM is principally owned by Woodstock Holdings, Inc., a publicly held company. William J. Raike III, President of WWM, is material owner of Woodstock Holdings, Inc. with more than 25% ownership.

### **Types of Services**

WWM offers a number of advisory products and services for the benefit of clients. WWM offers the following programs for advisory clients:

#### **MANAGED ACCOUNT PROGRAM**

WWM’s Managed Account Program is a fee-based program, whereby WWM and its Investment Advisory Representatives (“IARs”) provide continuous portfolio management and supervisory services for clients. Services are based on the client’s investment objectives, risk tolerance, and liquidity needs.

As part of this program, WWM and IARs may perform the following services:

- Assess the client’s investment needs, objectives, risk tolerance, financial status and liquidity concerns;
- Develop a customized strategy to meet the objectives, risk tolerance, and liquidity concerns of a client;
- Implement the strategy through transactions, either through purchases or liquidations of investments; and
- Provide ongoing review and management of the client’s accounts after initiation of the relationship with the client.

WWM and its IARs seeks to tailor its advisory services to the individual needs of clients by engaging in transactions and activity that is commiserate with information concerning the client, specifically their investment objectives, risk tolerance, financial status, and liquidity concerns. Clients are permitted to place restrictions on types of securities or certain securities that are reasonable in nature.

WWM and its IARs manage the assets of clients on a discretionary basis, thereby allowing WWM and the IARs to determine what securities and investments are to be bought and sold and the amount of the securities and investments to be bought and sold. WWM has discretion on the selection of the custodian to house the assets. WWM will maintain its assets with Fidelity Clearing & Custody Solutions or Hilltop Securities as custodian for the client assets. For accounts custodied by Hilltop Securities, Woodstock Financial Group, an affiliated broker-dealer of WWM, introduces accounts to Hilltop Securities. At the request of client and upon agreement by WWM and IAR, client may select another custodian. WWM reserves its right to change custodians in their discretion.

Clients are advised that transactions in the client's accounts, including any reallocations and rebalancing, may trigger a taxable event for the client, unless the account is deemed a qualified retirement account (i.e. IRA).

### **FINANCIAL PLANNING AND CONSULTING SERVICES**

WWM offers financial planning services to clients who seek advice and direction on various aspects of planning. Such advice may include, but is not limited to, analysis of financial plans, retirement planning, budget analysis, estate planning, college planning, and/or cash flow analysis. The extent and nature of the financial planning is tailored to the desires and needs sought by the client. Services may include a written plan, analysis or recommendations or may involve consultation(s).

Financial plans are based on the client's financial situation at the time and are based on financial information disclosed by the client to WWM. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. WWM cannot offer any guarantees or promises that client's financial goals and objectives will be met. Further, client must continue to review any plan and update the plan based upon changes in the client's financial situation, goals, or objectives or changes in the economy.

It is noted that the levels and services offered may vary among IARs of WWM based on their knowledge and experience. It is further noted that advice and solutions offered by IARs may vary due to this and client-specific circumstances.

Clients who receive financial planning and consulting services are under no obligation to utilize WWM or its affiliates to implement any investment recommendation and/or other recommendation of WWM and its IARs.

### **THIRD PARTY MANAGEMENT PROGRAMS**

WWM may use the services of a third-party manager to offer asset management services to clients. Prior to entering into a relationship with the third-party manager, WWM conducts due diligence

with respect to the services and business of the third-party managers and how such services may assist clients of WWM and its IARs. Third-party managers are selected based on their price competitiveness, services, track record, and other determining factors. WWM has relationships with the following managers:

- ITS Asset Management
- Envestnet
- Managers offered through the Fidelity Investments

WWM will assist the client in the selection of a third-party manager that is tailored to the needs of the clients. The client may impose restrictions on the management of their accounts, subject to any provisions of the third-party manager. In utilizing a third-party manager, clients are advised of the following:

- Clients are advised that transactions in the client's accounts, including any reallocations and rebalancing, may trigger a taxable event for the client, unless the account is deemed a qualified retirement account (i.e. IRA).
- WWM does not take custody of client assets. WWM will not directly conduct any securities transactions on behalf of the client or participate directly in the selection of the securities to be purchased or sold for the client.
- Investment decisions are made by the third-party manager in accordance with the agreement between client and manager.
- Performance presentations offered through by these third-party managers may not be calculated or presented in a uniform basis.
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## **Item 5 - Fees and Compensation**

### **MANAGED ACCOUNT PROGRAM**

Fees are negotiable between Client and IAR regardless of Account value but may not exceed 2.7%. The Fee Schedule provided below is representative of WWM's standard guidance.

<b>Account Value</b>	<b>Annual Percentage Fee</b>	<b>Account Value</b>	<b>Annual Percentage Fee</b>
\$0 to \$249,999	2.70%	\$500,000 to \$999,999	1.70%
\$250,000 - \$499,999	2.20%	\$1,000,000 and up	1.20%

In addition to the annual fee, the client may incur additional charges which vary dependent upon the platform and custodian of the assets.

For accounts held through Fidelity Investments, the client will incur commission and transactional charges for various investments bought or sold, such as equities, options, fixed income, exchange

traded funds, mutual funds and other securities. Regarding mutual funds, WWM seeks to purchase mutual funds at the net asset value (“NAV”) and not possessing a 12b-1 fee. For mutual fund positions, the client may incur administrative, management, and 12b-1 fees imposed by the mutual fund. WWM makes its best efforts to purchase mutual fund share classes that are 12b-1 ineligible, however, some mutual funds do not offer such share classes in which case, the clients may be required to pay a 12b-1 fee. Where applicable, the client should discuss mutual funds with their IAR. The client may incur additional custodial charges such as account maintenance fees, safekeeping fees, and fees for transfers for charges.

For accounts custodied by Hilltop Securities, the client will pay no commissions and be responsible for the fee imposed by the Securities & Exchange Commission.

All fees are payable in advance on a quarterly basis. The initial fee will be based on the value of assets at the inception of client’s program account(s) and then quarterly thereafter based upon the value of the client’s account at the last business day of the preceding calendar quarter. Should the initial or a subsequent contribution of assets take place during a quarter, the fee for such contribution will be prorated for the remainder of the quarter and be due within a reasonable period upon request. Partial withdrawal of assets during a quarter by a client will not result in a refund of previously paid advisory fees for that quarter.

Fees will be deducted directly from the client’s account upon authorization granted by the client to WWM in the advisory agreement. A portion of the advisory fee will be paid to client’s IAR. Clients may terminate participation in the Managed Account Program at any time by written notice to WWM at 117 Towne Lake Parkway Suite 220, Woodstock, Georgia 30188 Attn: Compliance Department. Client should request a refund to ensure and verify if any refund of prepaid fees may be due. The effective date of such termination shall be either the account transfer date or date of proceeds from liquidation being sent to client. If any refund of prorated fee is due to client, funds will be credited to existing account if possible or a check will be mailed to the account address of record.

In managing the accounts of the clients, WWM and IAR believe it is important for clients to be apprised on potential conflicts of interest as well as additional disclosures that may be pertinent in the client determining whether the program is suitable and desirable.

- Clients may deposit assets on which a commission was previously paid, including mutual funds on which a sales charge was paid. Clients are advised that if such transactions were made through WWM or IAR, commissions may have been previously received and WWM and IAR will receive an advisory fee in addition to any previously received commissions.
- Clients are advised that a managed account program may be costlier to the client than if the client obtained execution and investment advisory services separately. Additionally, client is advised that a managed account as compared with a traditional commission based account may be costlier to the client, particularly during periods when trading activity is lower. Therefore, client may find that the account results in a higher annual cost for

transactions. During periods when trading activity is heavier, such as when the account is first opened, managed accounts may result in lower costs.

The amount of compensation the IAR receives in connection with the program will vary based on the aggregate amount of the fee and the IARs payout percentage as previously negotiated between WWM and IAR. Generally, IARs with a higher aggregate production receive a percentage of fees greater than an IAR with lower overall aggregate production. Payout ratios are based on fees earned through this advisory program as well as fees earned from affiliated companies, such as brokerage and insurance commissions earned through their role as a registered representative.

### **FINANCIAL PLANNING AND CONSULTING SERVICES**

Fees for financial planning services are negotiated between the client and the IAR. As such, clients may pay higher or lower fees than another client serviced by another IAR for similar services or serviced by an IAR with more or less experience. The fee will be due and payable to WWM either upon completion of the services or in quarterly installments in advance of each calendar quarter. Fees will be in the form of a fixed fee or hourly fee that is negotiable between the client and IAR. Hourly fees do not exceed \$250/hour.

Client is advised that fees for financial planning are strictly for financial planning services. Therefore, client may pay fees and/or commissions for additional services obtained such as asset management or products purchased such as securities or insurance.

Upon presentation of the planning services, services will be deemed completed and the advisory agreement terminated.

Client may terminate the agreement with WWM and receive a full refund of any pre-paid advisory fees for planning services at any time up to presentation of the financial plan to client. Any prepaid quarterly installment will be refunded based on a prorated portion of the fee from the date of termination to the end of the calendar quarter.

### **THIRD PARTY MANAGEMENT PROGRAMS**

Client will be charged an advisory fee that will be in accordance with the third-party manager's fee schedule of which WWM will be paid a portion. Fees for such third-party managers as offered through WWM are not negotiable; however, the portion of the fee for WWM is negotiable. The third-party manager is responsible for billing clients and providing WWM its portion of the aggregate fees for the program. For additional information concerning fees, you should consult with your IAR and program literature provided by the IAR and third-party manager.

Clients are advised of the following:

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- Fees for such programs may be higher or lower than if client directly obtained the services of the third-party manager or if client obtained advisory services separately. Additionally, client may have account maintenance fees and transaction costs. Clients should read the third-party manager's disclosure brochure for additional disclosure of its managed program and fee structure.
- The amount of compensation the IAR receives in connection with the program will vary based on the aggregate amount of the fee and the IARs payout percentage as previously negotiated between WWM and IAR. Generally, IARs with a higher aggregate production receive a percentage of fees greater than an IAR with lower overall aggregate production. Payout ratios are based on fees earned through this advisory program as well as brokerage and insurance commissions earned through their role as a registered representative an affiliated entity.
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### **Item 6 - Performance-Based Fees and Side-By-Side Management**

Woodstock Wealth Management, Inc. does not charge clients 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**

WWM provides portfolio management services to individuals, high net worth individuals, businesses and retirement plans.

- WWM has a guideline minimum of \$25,000 in assets to be managed and participate in the Managed Account Program; however, WWM and its agents may accept less than the guideline minimum in their discretion.
- For financial planning services, no minimums exist.
- For clients participating in Third Party Management Programs, the third-party management may require a minimum amount of assets to be managed. More information concerning Third Party Management Programs can be found by reviewing the third-party manager's Form ADV and other documents detailing any minimum requirements.

### **Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss**

WWM and IARs may utilize educational seminars, product sponsor presentations, and various sales literature provided by product sponsors in analyzing various products and securities. This is in addition to financial newspapers and magazines, research materials prepared by others, corporate rating services, company press releases, and annual reports, prospectuses, and filings with the SEC.

Under the Managed Account Program, the firm does not offer a uniform investment strategy for each client. Investment strategies will differ based on the needs of the clients. Under the Third-

Party Management Program, third party manager may engage in specific strategies and methods of analysis. Information concerning such strategies and methods can be found by reviewing a copy of the Form ADV concerning the respective third-party manager.

WWM does not represent, warrant or imply that the services or methods of analysis used by WWM can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. No guarantees can be offered that client's goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by WWM will provide a better return than other investment strategies.

Client is advised that the investment recommendations and advice offered by WWM are not legal advice or accounting advice. Client should coordinate and discuss the impact of financial advice with their attorney and/or accountant. Client is advised that it is necessary to inform WWM promptly with respect to any changes in the client's financial situation and investment goals and objectives. Failure to notify WWM of any such changes could result in investment recommendations not meeting the needs of the client and impacting any investment strategies utilized. Client accounts may be subject to frequent trading, which can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves risk of loss that clients should be prepared to bear.**

### **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 WWM or the integrity of WWM's management. In response to this requirement, the following disclosures are being made:

WWM has no disciplinary history and consequently, is not subject to any disciplinary disclosures. However, WFG, an affiliated entity has the following disclosures listed below.

On March 26, 2010, the State of Connecticut initiated entered a consent order claiming WFG had charged certain Connecticut customers inflated transaction fees, categorized as miscellaneous and ticket charges. The order imposed a monetary fine of \$15,000, reimbursement of \$5,000 in investigative costs incurred by Connecticut, requirement that WFG amend its fee disclosures, and that customers be reimbursed for the difference between the miscellaneous and ticket charges paid and the actual amount of the ticket and postage costs for customers since January 1, 2008.

On March 14, 2013, the New York State Department of Financial Services alleged WFG failed to disclose certain information on the application for insurance agency license. This resulted in a \$9,000 fine and was resolved by a stipulation and consent order. No other sanctions were ordered. This stipulation arose from the misunderstanding of a question on the 2011 application for insurance and inadvertent failure to disclose some previous disclosures dating back to 2002. These disclosures have always been publicly available.

## **Item 10 - Other Financial Industry Activities and Affiliations**

WWM is engaged in the activity of a Registered Investment Advisor. In the capacity of an investment advisory firm, WWM provides advice for the purchase or acquisition of various investment products to the public through IARs. As compensation for such activities, WWM is paid an annual fee. WWM provides advice for investment products such as stocks, bonds, options, exchange-traded funds, & mutual funds.

WWM is a wholly owned subsidiary of Woodstock Holdings, Inc. (“WHI”), and where WHI is also the sole owner of Woodstock Financial Group, Inc. a registered broker/dealer (“WFG”). IARs of WWM may be also licensed with WFG, and as such, may offer the securities products available through WFG to clients of WWM. Clients are under no obligation to purchase or sell securities through WFG; however, if they choose to implement the advice offered by WWM IAR’s through WFG, commissions may be earned by WFG and IAR’s of WWM in addition to any fees paid for advisory services to WWM. Commissions may be higher or lower at WFG than at other broker/dealers. WWM undertakes a review of commissions and fees in determining the appropriateness of such fees relative to the industry and whether any higher costs are reasonable in light of the additional capabilities of an IAR servicing the client’s needs.

WWM may utilize “Third Party Managers” also known as “Separate Account Managers” if IAR and client choose. The current relationships are identified in Item 4 and information about their fees is included in Item 5.

## **Item 11 - Code of Ethics**

WWM has a fiduciary duty to clients to act in the best interest of the client and always place the client’s interests first and foremost. WWM takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as WWM’s policies and procedures. Further, WWM strives to handle clients’ non-public information in such a way to protect information from falling into hands that have no business reason to know such information and provides clients with WWM’s Privacy Policy. As such, WWM maintains a code of ethics for its IARs, supervised persons and staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, procedures for certain transactions, code violations reporting requirements, and safeguarding material non-public information. Further, WWM’s Code establishes WWM’s expectation for business conduct. A copy of our Code will be provided to any client or prospect upon request.

IARs of WWM that are dually licensed with WFG as FINRA registered representatives may offer private placements of WFG, including but not limited to Raiké Real Estate Income Fund. If Raiké Real Estate Income Fund is offered by such dually licensed representative, it is offered by such person in their capacity as a registered representative under WFG.

Broker/dealer representatives of WFG, who may also be registered as an IAR, may earn a commission on the sale of these products. The Raikes Real Estate Income Fund was organized and is managed and owned by William J. Raikes III, who serves as President and owns a material percentage of Woodstock Holdings, which is the owner of WWM and WFG.

IARs of WWM may invest in the same securities it recommends to clients. Accordingly, it is possible that WWM and IAR may receive a better price or execution for such transaction than its clients. To avoid this conflict, WWM has a “black-out” period on all client transactions for IARs transactions. WWM prohibits IARs from placing trades in the same securities or short-term derivative instruments of such securities for accounts in which they have a financial interest in on the same day and same side of market that they are recommending or allocating transactions in client accounts. The black-out period restriction does not apply to mutual funds, non-discretionary orders that are received from a client on an unsolicited basis in the same security, or on long-term derivative contracts. On occasion, a situation may arise that an IAR needs to trade the same security (such as a forced liquidation). This may only be done with the prior approval of the CCO and as long as no clients are at a disadvantage in terms of price.

## **Item 12 - Brokerage Practices**

In providing services under its Managed Account Program, WWM will utilize Fidelity Clearing & Custody Solutions (“Fidelity”) or Hilltop Securities as custodians. At the request of client and upon agreement by WWM and IAR, client may select another custodian. WWM reserves its right to change custodians in their discretion.

WWM and its IARs are provided access to research provided by Fidelity or Hilltop Securities. Such research may be utilized by WWM and its IARs in formulating investment advice and providing advisory services. WWM or its IARs do not receive any additional research as a result of the volume or amount of transactions directed to Fidelity Investments, as any research provided is a standard offering for utilizing their services.

WWM does not have a direct financial incentive for utilizing the services of Fidelity Clearing & Custody Solutions or Hilltop Securities. WWM does not earn a commission or share in any custodial fees that Fidelity Clearing & Custody Solutions may impose or the SEC fee charged by Hilltop Securities for transactions.

WWM seeks to purchase mutual funds at the net asset value (“NAV”) and not possessing a 12b-1 fee. For mutual funds carrying a 12b-1 fee, this creates a conflict of interest for WWM for two primary reasons: 1) fees could result in a client paying higher fees than otherwise for a comparable mutual fund; and 2) WWM could receive a portion of the 12b-1 fee. As a matter of policy, WWM will always seek to purchase mutual funds not possessing a 12b-1 when possible, and will not accept any 12b-1 fees. WWM will periodically check and review mutual funds possessing a 12b-1 fees for potential conversion to a share class not possessing the fees.

For mutual fund positions, the client may incur administrative, management, and 12b-1 fees imposed by the mutual fund. WWM makes its best efforts to purchase mutual fund share classes that are 12b-1 ineligible, however, some mutual funds do not offer such share classes in which case, the clients may be required to pay a 12b-1 fee. Where applicable, the client should discuss mutual funds with their IAR. The client may incur additional custodial charges such as account maintenance fees, safekeeping fees, and fees for transfers for charges.

### **Item 13 - Review of Accounts**

IARs are continuously monitoring client accounts. In reviewing client accounts, IARs consider changes in the client's facts and circumstance, market shifts, political events, and changes affecting individual companies or securities, such as changes in management to adjust client portfolio accordingly. Additional reviews may be warranted on as needed basis. Financial plans will be reviewed by IARs in a manner and time that is consistent with any agreement entered to by a client and WWM.

Clients will be provided an account statement no less than quarterly from the qualified custodian maintaining their account.

### **Item 14 - Client Referrals and Other Compensation**

It is the policy of WWM to prohibit the payment of solicitation fees or other compensation for client referrals to any individuals, any entity, or any IAR of WWM.

As stated above in Section 5, WWM is compensated for referring clients to third party managers as part of WWM's Third Party Management Program. WWM receives typically less than 1% annually of the client's assets under management that are placed with the third-party manager as a fee for such referral. A conflict of interest could potentially exist in that WWM and its IARs may recommend a manager with a more aggressive strategy in the desire to boost assets under management and correspondingly the fee WWM receives for such referral. As a matter policy, WWM prohibits its IARs from recommending a manager and a strategy that is not commiserate with the client's investment objectives, financial condition, and risk tolerance.

### **Item 15 - Custody**

Clients should receive at least quarterly statements from the qualified custodian that holds and maintains client's investment assets. WWM urges you to carefully review such statements and compare such official custodial records to any third performance reports that we may provide to you.

WWM does not provide any statements in addition to statements, other than third-party performance reports, provided by the qualified custodian. Custodian's mailing addresses are as following:

Fidelity Investments  
PO Box 770002  
Cincinnati, OH 45277

Hilltop Securities  
1201 Elm Street  
Suite 3500  
Dallas, Texas 75270

### **Item 16 - Investment Discretion**

WWM receives discretionary authority from the client at the outset of an advisory relationship in writing. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, WWM observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to WWM in writing.

### **Item 17 - Voting Client Securities**

WWM 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. WWM 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 WWM's financial condition. WWM 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.