

Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Veripax Wealth Management, Inc. (VWM or Veripax). If you have any questions about the contents of this brochure, please contact us at: 916-358-5635, or by email at: info@veripax.net. 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 Veripax Wealth Management is available on the SEC's website at www.adviserinfo.sec.gov. The Firm's IARD number is 139663.

March 21, 2024

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since the Firm's last ADV Annual Update Amendment of March 15, 2023, the Firm had no material changes to report.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 916-358-5635 or by email at: info@veripax.net.

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Advisory Business

Firm Description

Veripax Wealth Management ("VWM") was founded in 2006. As of 12/31/2023, VWM managed \$288,484,256 in assets on a discretionary basis and \$1,216,853 in assets on a non-discretionary basis for a total of \$289,701,109 in assets under management.

VWM provides personalized confidential financial planning and investment management to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and small businesses. Advice is provided through consultation with the client and may include the following: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

VWM is an independent financial planning and investment management firm. The firm does not sell stocks, bonds, mutual funds, limited partnerships, or other commissioned investment products. The firm is not affiliated with entities that sell financial products or securities.

Investment advice is an integral part of financial planning. In addition, VWM advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning. Veripax Wealth Management acknowledges that it is a "fiduciary" when the firm's services are subject to the provisions of ERISA of 1974, as amended. When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interest ahead of yours.

Investment advice is provided, and trades are executed with discretionary authority following an initial strategy review with the client. VWM does not act as a custodian of client assets. The client always maintains asset control. VWM places trades for clients under a limited power of attorney. In the case of non-traded alternative investments, additional client approvals are required in the form of an investment-specific subscription agreement.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Jerry Verseput is VWM's President and CCO.

Tailored Relationships

The goals and objectives for each client are discussed prior to any investment management implementation.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Agreement

A financial plan is designed to help the client with all aspects of financial planning with or without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to, a net worth statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client unless a separate Investment Advisor Agreement is in place.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month.

Investment Advisory Agreement

Most clients choose to have VWM manage their assets to obtain ongoing in-depth advice and wealth management. All aspects of the client's financial affairs are reviewed. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

When investment management services are being provided VWM manages clients' portfolios on a discretionary basis and will conduct transactions on behalf of clients in their account without obtaining specific client consent beforehand.

Assets are invested primarily in a variety of exchange-traded investments, usually through discount brokers or fund companies. Stocks and bonds may be purchased or sold through a brokerage account when appropriate.

Investments may also include the following: equities (stocks), warrants, corporate debt securities, certificates of deposit, municipal securities, investment company securities (mutual funds shares), U.S. government securities, options contracts, futures contracts, private equity, private debt, and interests in partnerships. Initial public offerings (IPOs) are not available through VWM.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion.

One-time Project Agreement (Portfolio Allocation; 401(k) Allocation)

On occasion, clients will require a limited-scope plan that includes only a portion of a comprehensive financial plan. In these instances, a Project Agreement will be prepared that documents the work to be performed and the fee that will be charged. The fee for these projects will be based on the complexity of the work and the time estimated to complete project; however, the fee quoted will be a fixed fee. If during the project the client requests a change in the scope of the project, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

Termination of Agreement

A Client may terminate any agreement at any time by notifying VWM in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

For investment advisory clients, at termination, fees will be billed on a pro rata basis for the portion of the quarter completed.

VWM may terminate any agreement at any time by notifying the client in writing.

Fees and Compensation

Description

VWM's fees are negotiable at VWM's sole discretion. VWM charges its investment advisory fee on a percentage of the assets under VWM's management and charges a fixed fee for its financial planning services and one-time project agreements. Financial planning fees in an investment advisory engagement are generally included in the Investment Advisory fee as noted below. Current client relationships may exist where the fees are higher or lower than the fee schedules below because of a negotiated fee. VWM also has "legacy clients" under agreements with fee structures no longer offered by VWM which will be different than the fee structures currently offered to new clients of VWM.

Investment Advisory Fee:

VWM charges its advisory fee for Investment Advisory Services for assets under its management as follows:

1.00% for assets under management of \$0 - \$500,000

0.90% for assets under management from \$500,001 to \$1,000,000

0.80% for assets under management from \$1,000,001 to \$3,000,000

0.65% for assets under management from \$3,000,001 to \$5,000,000

0.50% for assets under management from \$5,000,001 to \$10,000,000

Negotiable fixed fee for assets above \$10,000,000

VWM charges its fee as a “blended rate” meaning that the advisory fee is calculated based upon a separate rate for each tier within the client’s portfolio being managed. For example, the first \$500,000 of client assets being managed will always be charged 1%, and additional assets will be charged at each level according to the schedule noted above.

Financial Planning Fee: VWM’s fee for financial planning services and one-time project agreement is a fixed fee based on the engagement’s scope and complexity of services.

Fee Billing

Investment advisory fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Fees are deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are generally due upon delivery of the financial plan. However, for complex plans, VWM may require a 50% payment following the first draft of the plan, with the balance due upon final delivery.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security. Custodians that hold assets deemed “Alternative Assets” may charge an annual holding fee. Sufficient cash will be kept in these accounts to cover this annual fee.

VWM, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account

composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to VWM.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

VWM reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in VWM's judgment, to providing proper financial advice.

Any unused portion of fees collected in advance at time of termination will be refunded within 30 days. The portfolio value at the time notice is received is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

VWM does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

Veripax generally provides investment advice to individuals, trusts, estates, charitable organizations, corporations or business entities, and church organizations.

Client relationships vary in scope and length of service.

Account Minimums

The minimum aggregate account size for new accounts is \$500,000 of assets

under management. VWM has the discretion to waive the account minimum. Other exceptions will apply to employees of VWM and their relatives, or relatives of existing clients.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis. The main sources of information include financial newspapers, magazines and websites, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases. Other sources of information that VWM may use include Morningstar mutual fund information, Morningstar stock information, and investment data provided by Fidelity WealthScape®.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing multiple asset classes, with an active risk-management strategy utilized for the Equity allocation. In general, ETFs, no-load or load-waived mutual funds, and equity-linked Structured Notes are used for the Equity allocation, no-load or load-waived mutual funds and Structured Notes are used for the fixed-income allocation, and various Alternative Assets are used in the form of mutual funds, partnerships, private offerings, or individual debt obligations (e.g., mortgage notes).

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Once objectives and an investment strategy have been agreed to, VWM will execute the strategy on a discretionary basis for exchange-traded investments. Non-traded (i.e., illiquid) investments such as private equity and limited partnerships will require additional paperwork and approvals for purchases.

Other strategies may include long-term purchases, short-term purchases, trading, margin transactions, and option writing (covered options).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in

reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

VWM is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

VWM has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

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

Code of Ethics

The employees of VWM have committed to a Code of Ethics that is available for review by clients and prospective clients on request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

VWM and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades.

Brokerage Practices

Selecting Brokerage Firms

VWM does not have any affiliation with product sales firms. VWM will make specific custodian recommendations based on the convenience of having most accounts at a limited number of custodians. VWM has chosen these custodians based on the proven integrity and financial responsibility of the firm and reasonable commissions and fees. If the client prefers a broker other than those that VWM recommends, it will be considered as part of the Investment Advisory Agreement negotiation.

VWM does not receive fees or commissions from any brokerage or custodian that it recommends.

Best Execution

VWM relies on the verification provided by custodians to ensure best execution of all trades. VWM does not receive any portion of the trading fees.

Soft Dollars

VWM receives access to research and a trading platform provided by Fidelity Investments. For consistency in reporting and order aggregation (see below), Fidelity Investments is the preferred custodian for clients. All clients benefit from

the research and analysis tools provided by Fidelity.

Order Aggregation

When a large buy or sell order covering multiple accounts is placed for an Exchange Traded Fund or stock, the orders are typically aggregated into block trades. This ensures that all clients receive the same execution price. When small orders for single accounts are placed at different times during the day, there is a chance that one client may receive a slightly better or worse execution price than another client. When this occurs, there is no attempt to provide an advantage to one client over another.

Review of Accounts

Periodic Reviews

Account reviews are performed on an annual basis by Jerry Verseput. Account reviews are performed more frequently when market conditions or client needs dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Investment Advisory Agreement clients receive monthly statements provided by the custodian.

Client Referrals and Other Compensation

Incoming Referrals

VWM has an arrangement in place with Global Retirement Partners, LLC ("GRP"), an SEC-registered investment adviser who is also notice-filed in California, whereby VWM will compensate GRP with a portion of our advisory fee for referral of a person who becomes a client of VWM. VWM will compensate GRP for as long as the client relationship with VWM exists. This arrangement does not result in a higher cost to our clients, and GRP does not provide investment advisory services to any client of VWM under this agreement. We maintain this arrangement in accordance with applicable state and federal laws.

Referrals Out

VWM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

N/A.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Direct Fee Deduction

The Firm is deemed to have "constructive" custody of client assets because it has the authority to deduct management fees directly from client accounts. The Firm follows the SEC's Custody Rule safeguards and therefore is not subject to the additional requirements of an adviser with custody.

Third-Party Standing Letters of Authorization (SLOA's)

The Firm has constructive custody of assets to the extent it uses Standing Letters of Authorizations ("SLOAs") for third-party money movement. The Firm maintains records for third-party SLOA's consistent with the SEC No-Action Letter of February 21, 2017, to avoid the need for a surprise annual audit.

Investment Discretion

Discretionary Authority for Trading

VWM accepts discretionary authority to manage securities accounts on behalf of clients. VWM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. VWM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment strategy we agreed to.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

Veripax does not submit proxy votes on behalf of clients.

Financial Information

Financial Condition

VWM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because VWM does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.