

# Form ADV Firm Brochure

## Presidio Wealth Management LLC

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*This brochure provides information about the qualifications and business practices of Presidio Wealth Management LLC ("PWM" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at 415-449-1000. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.*

*Additional information about PWM is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Presidio Wealth Management is a registered investment adviser with the SEC. SEC registration does not imply a certain level of skill or training.*

## **Material Changes**

This section of the brochure discusses only the material changes since the last annual update of PWM's brochure on March 22, 2010. Since the last update, the SEC amended its rules for investment advisory firm brochures. Pursuant to the new rules, this brochure is redesigned in narrative format, materially different in its structure and includes some new information PWM was not previously required to disclose, including additional information regarding conflicts of interest and risks related to certain methods of analysis and investment strategies. Clients and prospective clients are encouraged to review this brochure in its entirety.

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## Advisory Business

Presidio Wealth Management ("PWM"), a wholly owned subsidiary of Presidio Financial Partners LLC, also known as The Presidio Group, ("Presidio") was founded in 1997, and registered with the SEC as a Registered Investment Advisor ("RIA") on March 19, 1998.

PWM offers investment consulting, supervisory and financial planning services, including services to assist clients in managing portfolio asset allocation with respect to investments in separate accounts, exchange traded funds, mutual funds, and private funds, including private equity funds and hedge funds; some of which are managed by professional portfolio managers ("Money Managers"). The Firm also offers portfolio performance reporting services.

PWM's investment advisory services are tailored to its individual clients based on client consultations conducted by the Firm's Investment Advisor Representatives ("Investment Consultants"). Investment Consultants are licensed, qualified and/or authorized employees of PWM who provide investment advisory services to clients. During each client consultation, the Investment Consultant interviews the client, gathers client data and reviews the client's current financial situation. Typically, an individualized written Investment Policy Statement ("IPS") is created for a client. The IPS memorializes the client's investment objectives, risk tolerance and investment implementation plan, including portfolio allocation and Money Manager selections, as well as any investment constraints. Clients may impose restrictions in certain securities or types of securities.

Investment Consultants recommend Money Managers to assist clients in carrying out their investment objectives in addition to making other investment recommendations. Investment recommendations may include, but are not limited to, recommendations to invest in mutual funds, exchange-traded funds ("ETFs") and private funds. Money Managers selected to manage client assets are given discretionary authority to make investment decisions and may use a variety of methods of analysis, sources of information, and investment strategies. Although PWM conducts initial and ongoing due diligence in connection with making Money Manager and investment recommendations, clients should carefully review brochures, prospectuses, private placement memoranda and any other offering and/or disclosure documents pertinent to a Money Manager or investment recommendation prior to selecting a Money Manager or investing in a security recommended by the Firm. For additional information regarding the Firm's methods of analysis for making Money Manager and investment recommendations, please refer to the *Method of Analysis, Investment Strategies and Risk of Loss* section of this brochure. Where PWM has discretionary authority to make investment decisions for a client account, it may select Money Managers or make investment decisions on behalf of a client as described in the *Method of Analysis, Investment Strategies and Risk of Loss* section and *Investment Discretion* section of this brochure.

PWM also provides certain consulting services through Presidio Strategic Services ("PSS"), a division of PWM. These consulting services include shareholder assessment, succession planning, leadership and goal planning, and solutions to optimize family offices and institutions, including management and financial restructuring. PSS may also provide advice on active or passive private investments. It is anticipated that PSS business operations will be reorganized into a new wholly owned subsidiary of Presidio to be named Family Enterprise Strategies. There will be no change in the ultimate ownership or in the management or control of PWM's advisory business as a result of the PSS reorganization.

As of December 31, 2010, PWM managed \$3.6 billion in assets on a non-discretionary basis.

## **Fees and Compensation**

### ***PWM Fees***

PWM's standard annualized fee for providing investment advisory services will be charged as a percentage of assets under management, according to the following fee schedule:

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
First \$10 million*	0.65%
\$10 million to \$25 million	0.45%
\$25 million to \$200 million	0.30%
Over \$200 million	Negotiable

\*Minimum fee is \$40,000 per annum.

The above fee scheduled is negotiable and may be modified at PWM's sole discretion. Fees may also vary depending upon the complexity of the client's investment objectives, implementation plan and the services to be provided. Household accounts of lesser value may be combined to reach the minimum account size, or to obtain a reduced fee by reaching a higher bracket.

Fees are earned in full on the first day of each quarter and are based on the estimated market value of the client's account at the end of the prior quarter (as determined by PWM in its sole discretion). Fees generally will be billed quarterly in advance and payable directly to the Firm or automatically debited from the client's broker-dealer or custodian account, as determined by the client.

PWM may also charge a flat fee on a quarterly basis in advance or arrears for providing on-going investment consultation, customized analysis, research and/or reporting for client portfolios. This fee is negotiable and billed as the services are rendered or in arrears. These fees are not based on client assets under management and are for services other than supervisory management of the client's portfolio.

Clients may terminate advisory agreements upon providing 30 days' prior written notice to PWM. As described above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, the Firm will prorate the reimbursement according to the number of days remaining in the billing period.

PWM and its employees do not receive commissions for selling securities or other investment products.

### ***Mutual Fund and ETF Fees***

All fees paid to PWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs 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. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without the Firm's services. In that case, the client would not receive the services provided by the Firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate for the client's financial objectives and circumstances. Accordingly, the client should review both the fees charged by the funds and PWM's fees to fully understand the total amount of fees to be paid by the client, and to evaluate the advisory services being provided.

### ***Money Manager Fees***

Clients will also incur fees charged by Money Managers for client assets managed in separate accounts. These fees vary and are in addition to PWM's fees. These fees may be payable quarterly or monthly, in advance or arrears, and will automatically be debited from the client's broker-dealer or custodian account. Money Manager fees may be negotiated by PWM and may differ from the standard fees charged by a Money Manager to its other clients. A client may be eligible to directly open a separate account with a

Money Manager, without PWM's services. In that case, the client would not receive the services provided by the Firm, which are designed, among other things, to assist the client in initially selecting and continuing to assess which Money Managers are the most appropriate for each client's financial objectives and circumstances. Accordingly, the client should review both the standard fees charged by the Money Manager as disclosed in their brochure and the Money Manager fees negotiated through the Firm to fully understand the total amount of fees to be paid by the client, and to evaluate the advisory services being provided.

#### ***Private Fund Fees***

Clients who invest in hedge funds, private equity funds and/or other private funds will incur fees that are separate and in addition to PWM's fees. Managers of these funds may charge carried interest (or a percentage of the fund's profit), management, transaction and/or other fees, and require capital commitments and contributions, which will be payable as described in the fund's subscription agreement, private placement memorandum and/or other offering documents. Clients should review these documents carefully to understand how these fees are calculated and required to be paid.

#### ***Custodian and Broker-Dealer Fees***

In addition to the Firm's advisory fees, clients are responsible for the fees and expenses charged by custodians and broker-dealers, including, but not limited to, any transaction charges imposed by a broker-dealer with which the Firm or a Money Manager effects transactions for the client's account. Please refer to the *Brokerage Practices* section of this brochure for additional information regarding PWM's brokerage practices.

#### ***Advisory Fees in General***

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

#### **Performance-Based Fees**

PWM does not charge performance-based fees.

#### **Types of Clients**

PWM primarily provides investment advisory services to individuals, including high net worth individuals, and associated trusts, family offices, estates, and charitable institutions. PWM generally requires a minimum annual fee of \$40,000 as a condition to establishing and maintaining the services it offers. PWM may waive this requirement in its sole discretion on a case-by-case basis.

#### **Methods of Analysis, Investment Strategies and Risk of Loss**

PWM's investment advisory services generally entail making investment recommendations or decisions regarding portfolio asset allocation with respect to client investments in separate accounts, mutual funds, ETFs, separate accounts, private funds and other investments. The Firm primarily uses the following methods of analysis in formulating investment recommendations and making investment decisions for client portfolios:

##### ***Asset Allocation Analysis***

The Firm's asset allocation recommendations and decisions are based on asset-liability modeling, which takes into account a client's investment objectives, risk tolerance and investment constraints, including investment time horizon, certain tax considerations and liquidity, cash flow and estate planning needs.

##### ***Mutual Funds, ETF, Private Fund, and Separate Account Analysis***

In making mutual fund, ETF, private fund and/or separate account investment recommendations and decisions, the Firm takes into account, among other considerations, the client's financial circumstances and objectives, the fund's investment objective, principal investment strategies, principal investment risks,

performance track record, experience and track record of the fund's portfolio manager(s), and the fund's fees and expenses.

In recommending or selecting a prospective Money Managers as well as performing ongoing due diligence of a retained Money Manager, PWM may, where applicable, assess and monitor the following with respect to the Money Manager:

Business Factors

Business infrastructure

Assets under management

Product assets under management

Growth of assets

Client mix

Growth/turnover of clients

Adverse change in investment management fees

Personnel

Number and type of people

Key investment professionals

Expertise and experience

Capacity constraints and focus

Investment Process

Sound and well articulated investment process

Ability to find and source investment ideas

Quantitative and/or qualitative investment research

Disciplined buy and sell procedures

Risk management

Portfolio construction process

Performance attribution analysis

Comprehensive performance evaluation including risk-adjusted performance

***Investment Strategies***

In consultation with each client, PWM develops a customized investment strategy (or implementation plan) for the client, which incorporates the portfolio asset allocation, manager selections and investment guidelines. The investment strategy is included in the client's IPS, in addition to the specific benchmarks, peer groups, investment restrictions and expectations for each Money Manager.

***Risk of Loss***

Investing in securities and selecting Money Managers involves a risk of loss that clients should be prepared to bear. Clients may lose money as a result of selecting a Money Manager to manage assets and/or investing in a mutual fund, ETF, private fund or other security recommended by the Firm. Client portfolio performance could be negatively impacted by a number of different material risks including but not limited to:

**Active Trading Risk.** Frequent trading will result in higher-than-average portfolio turnover ratio and increased brokerage and transaction costs, and may generate higher short-term capital gains.

**Asset Allocation Risk.** Asset allocations change over time due to market fluctuations and, if not adjusted through portfolio rebalancing, may no longer be appropriate for the client's investment objectives. Asset allocation modeling may also result in structuring a portfolio that focuses investments in a small number of issuers, industries or geographic regions, which may cause the portfolio to be more susceptible to risks associated with a single economic, political or regulatory occurrence than a more diversified portfolio.

**Credit Risk.** The risk that a portfolio could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivative contract, is unable or unwilling to meet its financial obligations

**Interest Rate Risk.** The prices of, and the income generated by, most debt securities held by a fund may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities. For example, the prices of debt securities in the fund's portfolio generally will decline when interest rates rise and increase when interest rates fall. In addition, falling interest rates may cause an issuer to redeem, "call" or refinance a security before its stated maturity, which may result in the fund having to reinvest the proceeds in lower yielding securities. Longer maturity debt securities generally have higher rates of interest and may be subject to greater price fluctuations than shorter maturity debt securities.

**Issuer Risk.** The value of a security may decline because of adverse events or circumstances that directly relate to financial conditions of the issuer or any entity providing it credit or liquidity support.

**Liquidity Risk.** A security may not be able to be sold at the time desired or without adversely affecting the price.

**Management Risk.** There is no guarantee of a portfolio's performance, that a portfolio will meet its objectives, or that selected Money Managers will meet their objectives. As a result, the market value of a client's portfolio may decline, and the client may suffer an investment loss. A Money Manager's past performance is not indicative of future results. Clients should refer to a Money Manager's brochure for additional information regarding the material risks attendant to a particular investment strategy employed by a Money Manager.

**Market Risk.** The prices of, and the income generated by, the common stocks, bonds, and other securities held by a portfolio may decline in response to certain events taking place around the world, including those directly involving the issuers whose securities are owned by the portfolio; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate and commodity price fluctuations.

**Methods of Analysis Risk.** The Firm's analysis methods rely on the assumption that brochures, prospectuses, private placement memorandums and any other offering and/or disclosure documents pertinent to a Money Manager or investment are accurate. There is always a risk that the Firm's analysis may be compromised by inaccurate or misleading information in these documents.

**Mutual Fund and ETF Risk.** A portfolio will be exposed indirectly to all of the risks of securities held by a mutual fund or ETF. Clients should refer to the prospectus of the mutual fund or ETF for additional information regarding the principal investment risks of investing in a particular mutual fund or ETF.

**Private Fund Risk.** Investments in hedge funds, private equity funds and other private funds may involve a high degree of risk and often entail leverage and other speculative investment practices that may increase the risk of investment loss. Private fund investments (i) may be highly illiquid; (ii) may be difficult to value; (iii) may involve complex tax structures that could result in delays in distributing tax information; (iv) may not be subject to the same regulatory requirements as public securities; (v) may charge fees which could offset any profits; and (vi) the underlying investments may be known only to the investment manager. Clients should consider their risk tolerance and whether private fund investments are appropriate in light of their investment experience, objectives, and financial resources.

**Regulatory Risk.** Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

## **Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of PWM's advisory business or the integrity of PWM's management.



## **Other Financial Industry Activities and Affiliations**

PWM is affiliated with Presidio Merchant Partners LLC ("PMP"), a wholly owned subsidiary of Presidio. PMP is a limited purpose broker-dealer that engages in investment banking activities, which are not material to PWM's advisory business.

PWM is also affiliated with Presidio Investors LLC ("PI"), a wholly owned subsidiary of Presidio. PI is a member of Presidio Investors Fund I GP LLC ("GP"), which is the manager of Presidio Investors Fund I LP ("Fund I"), a private equity fund. PI provides certain administrative services and facilities to the GP and to Fund I. Fund I was closed to new investors in April 2008. Prior to Fund I's closing, some PWM clients purchased limited partnership interests in Fund I. PWM has not received any compensation in connection with these investments, however, in the event that Fund I generates profits, PI may receive incentive compensation in the form of carried interest in connection with its membership in the GP. In the future, PWM may recommend clients invest in other funds sponsored by its affiliates to the extent PWM finds that the investments in such funds are suitable for its clients. In connection with recommending that a client invest in an affiliated fund, PWM will disclose any economic benefit received by the Firm and/or its affiliates to the client and provide the client with the fund's private placement memorandum and any additional offering documents. Where PWM has investment discretion, it will not invest a client's assets in an affiliated fund unless it determines that the investment is suitable for the client, provides the client with the aforementioned disclosure and documents, and obtains written consent from the client to invest in the affiliated fund.

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

PWM and its officers, employees or affiliates may personally invest in the same securities that are recommended to, or purchased for, clients, including limited partnership or membership interests of private funds affiliated with PWM as described above in the *Other Financial Industry Activities and Affiliations* section of this brochure. If a security is purchased or sold for a client and PWM and its officers, employees or affiliates on the same day, the client and PWM or its officers, employees or affiliates will pay or receive the same price, or the client will receive the better price. PWM and/or its officers, employees or affiliates may also buy or sell for their own account a specific security, which the Firm determines is not an appropriate investment for clients based on clients' investment objectives, risk tolerance and/or client investment restrictions.

### ***Presidio Wealth Management Code of Ethics***

The Firm has adopted a written Code of Ethics designed to address and avoid potential conflicts of interest in compliance with Rule 204A-1 under the Investment Advisers Act of 1940 (the "Advisers Act").

The Firm's Code of Ethics requires, among other things, that its principals and employees:

- Act with integrity, competence, diligence, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of the Firm above one's own personal interests;
- Adhere to the fundamental standard that he or she should not take inappropriate advantage of his or her position;
- Avoid and/or disclose any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with the policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analyses, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on the employee and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;

- Maintain and improve his or her professional competence and strive to maintain and improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

The Firm's Code of Ethics also requires principals and employees to: (1) pre-clear certain personal securities transactions; (2) report personal securities transactions on at least a quarterly basis; and (3) provide the Firm with a detailed summary of personal securities holdings (both initially upon commencement of employment and annually thereafter), in each case subject to certain exceptions described in the Code of Ethics.

A copy of the Firm's Code of Ethics will be provided to any client or prospective client upon request.

### **Brokerage Practices**

PWM may recommend or select the broker-dealer to be used for client transactions subject to client directions. When recommending or selecting a broker-dealer, PWM considers the quality of service of the broker-dealer, including but not limited to, the promptness of execution of securities business, competitive commissions, securing the best price for a transaction under the circumstances, the ability to provide accurate settlement, and the financial stability of the broker-dealer.

PWM may also recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab") or Fidelity Institutional Wealth Services ("Fidelity"), each a FINRA registered broker-dealer and member of SIPC, to maintain custody of clients' assets and to execute trades for their accounts. PWM is independently owned and operated and not affiliated with either Schwab or Fidelity. PWM does not require that clients custody their assets at Schwab or Fidelity. A client may use other or additional custodians as determined by the client.

Schwab and Fidelity provide PWM with access to their institutional trading and custody services, which are typically not available to retail investors. These services generally are available to independent investment advisors with a total of at least \$10 million of the advisor's clients' assets maintained in accounts at Schwab or Fidelity. These services are not contingent on PWM committing to Schwab or Fidelity any specific amount of business (e.g. trading commissions). Schwab and Fidelity's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For PWM client accounts maintained in their custody, Schwab and Fidelity are compensated by account holders through commissions and other transaction-related or asset-based fees charged as a percentage of the market value of assets under custody. Schwab and Fidelity also make available other products and services that benefit PWM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or a substantial number of PWM accounts, including accounts not maintained at Schwab or Fidelity. Schwab and Fidelity's products and services that assist PWM in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of PWM's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. Schwab and Fidelity may pay third-party vendors for the types of services rendered to PWM. Schwab and Fidelity may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to PWM. Schwab and Fidelity may also provide other benefits such as educational events or occasional business entertainment of PWM employees.

PWM may also recommend or select a broker-dealer and/or custodian other than Schwab or Fidelity when it determines that utilization of another broker-dealer or custodian would be in the best interest of the client.

The Firm may also recommend that a client use a custodian other than Schwab or Fidelity if it determines that the utilization of another custodian may also provide similar benefits to the Firm.

PWM's receipt of benefits from client brokerage commissions may create a conflict of interest when the Firm recommends or selects certain broker-dealers and/or custodians, including Schwab and Fidelity. When the Firm uses its clients' brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Firm receives a benefit because it does not have to produce or pay for the research, products or services. Accordingly, the Firm may have an incentive to recommend or select a broker-dealer based on its interest in receiving the research or other services, rather than on its clients' interest in receiving most favorable execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Firm determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

The Firm may also take into account client referrals it receives from broker-dealers. Accordingly, the Firm may have an incentive to recommend or select a broker-dealer based on its interest in receiving client referrals. The Firm's policy, however, is to take into account the client's best interest in recommending and selecting broker-dealers to execute client transactions.

### **Order Aggregation and Allocation**

PWM may at times determine that certain securities are suitable for clients and other PWM-managed accounts, possibly including Firm accounts or accounts of an affiliate. If that occurs, and PWM is not able to acquire the desired amount of such securities on its' terms and conditions, PWM will allocate the limited amount of such securities among the various accounts in a manner the Firm deems suitable including but not limited to: allocations based on relative account sizes; the degree of risk involved in the securities acquired; and the extent to which a position in such securities is consistent with the IPS of the various accounts involved.

PWM may aggregate sale and purchase orders of securities held by client accounts simultaneously. PWM may do so only if it reasonably believes that aggregation is likely to produce an overall economic benefit to clients. PWM may consider better purchase or sales prices, lower commission expenses or timing of transactions, or a combination of these and other factors. In such instances, the purchase and sale of securities for the client may be affected simultaneously with the purchase and sale of like securities for other client accounts. Such transactions may be made at slightly different prices, due to the volume of securities purchased or sold. If that occurs, the average price of all securities purchased or sold in such transactions may be determined and, at PWM's sole discretion, the client may be charged or credited, with the average transaction price. Averaging could result in the client paying a higher (or lower) price for securities purchased, or receiving a lower (or higher) price for securities sold, than would be the case if other managed accounts were not concurrently purchasing or selling like securities.

### **Review of Accounts**

Investment Consultants review client accounts and provide each client with a written Executive Summary, or similar documentation, on a quarterly basis. The Executive Summary provides quarterly account values and account performance information in comparison to the account's benchmark(s). Generally, an Investment Consultant discusses with each client in person on a quarterly basis to review the Executive Summary. At the meeting, the Investment Consultant reviews the Executive Summary, as well as market conditions and other circumstances as warranted. The Investment Consultant will also discuss any recommendations regarding portfolio repositioning or rebalancing with the client. More frequent reviews of client accounts may be triggered by material changes in the client's individual circumstances, or market, political or economic circumstances.

PWM makes information regarding client account values and transactions available to clients through its website on a daily basis. Additionally, the Firm may provide a report regarding changes in the market value of client accounts, as well as a realized and unrealized gain/loss and income and expense report periodically or upon request by the client. As described above, the Firm provides written Executive Summaries to clients on a quarterly basis and reports tracking the delivery of K1s for private funds on an

annual basis. Written realized and unrealized gain/loss and income and expense reports are also updated in mid-February and provided to clients shortly thereafter to report any restated transaction data.

### **Client Referrals and Other Compensation**

PWM may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to the Firm in compliance with Rule 206(4)-3 under the Advisers Act. The compensation paid to Solicitors will typically consist of a cash payment stated as a percentage of the advisory fees paid to the Firm by the client referred by the Solicitor. The advisory fees paid to the Firm by clients referred by Solicitors are not increased as a result of referrals. Whenever PWM pays a referral fee, it requires the Solicitor to provide the prospective client with a copy of Part 2 of the Firm's Form ADV and a separate disclosure document that includes the following information:

- the Solicitor's name and relationship with the Firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to the Firm by the client will be increased above the Firm's standard advisory fees in order to compensate the Solicitor.

As described in the *Brokerage Practices* section of this brochure, the Firm receives an economic benefit from Schwab and Fidelity in the form of the support products and services it makes available to the Firm whose clients maintain their accounts at Schwab or Fidelity. These products and services, how they benefit the Firm, and the related conflicts of interest are also described in the *Brokerage Practices* section of this brochure. The availability of Schwab's or Fidelity's products and services to the Firm is not based on the Firm giving particular investment advice, such as buying particular securities for the Firm's clients.

### **Custody**

PWM does not maintain physical custody of client assets. Assets in client accounts are held in custody at Fidelity, Schwab or another independent qualified custodian. Clients may authorize PWM to directly debit advisory fees from their accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from the client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Clients should carefully review the account statements they receive from their custodian, and compare those statements to account information provided by the Firm. Clients should contact the Firm and their custodian directly if they believe that there may be an error in any statement provided by the Firm or their custodian.

### **Investment Discretion**

PWM may accept discretionary authority to make investment decisions for client account subject to client directions and restrictions. Any discretionary authority would be reflected in the investment advisory agreement between PWM and the client.

As described in the *Brokerage Practices* section of this brochure, PWM may also recommend or select a broker-dealer for trade execution. PWM considers the quality of service when recommending a broker, including but not limited to the promptness of execution of securities business, competitive commissions, securing the best price for a transaction under the applicable circumstances, the ability to provide accurate settlement, and the financial stability of the broker-dealer.

### **Voting Client Securities**

PWM does not accept proxy voting authority from clients. Money Managers recommended by PWM may or may not accept the authority to vote client proxies. Clients will receive their proxies or other solicitation

materials directly from their custodian or broker-dealer. Clients should contact their custodian, broker-dealer or Money Manager rather than the Firm with questions about a particular solicitation.

### **Financial Information**

PWM has never filed for bankruptcy and is not aware of any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.

### **Privacy Policy**

PWM works hard to maintain the highest standards of confidentiality and respect of the privacy of our client relationships. In that regard, we are providing this Privacy Policy to all of our individual clients who obtain financial products and services from us for personal, family or household purposes in accordance with Title V of the Gramm-Leach-Bliley Act of 1999. The protection of your privacy is a vital part of our relationship with you. This notice supplements any privacy policies or statements that we may provide in connection with specific products or services.

#### **Information We Collect About You:**

During the course of regular business practices, confidential information is collected through various channels. The non-public personal information we collect about you (your "Information") comes primarily from the following sources:

- ◆ Information we receive from you on applications or other forms;
- ◆ Information about your transactions with us, our affiliates, or others; and
- ◆ Information received from a consumer reporting agency.

#### **Our Disclosure Policies:**

We do not disclose any nonpublic personal information about our customers or former customers to any nonaffiliated third parties, except as permitted by law or directed by you.

We may use third party service providers for several purposes. The third party service providers are bound by obligations of confidentiality not to disclose any information provided by us about its customer and may not use such information for any purposes other than the performance of the particular services for which they have been contracted.

We reserve the right to disclose or report nonpublic personal information in limited circumstances where we believe in good faith that such disclosure is permitted or required by law, to cooperate with regulators or law enforcement authorities, to perform any necessary credit checks, to collect or report debt owed to us or to protect our rights or property.

#### **Our Information Security Policies:**

We limit access to your information to those employees, affiliates and service providers who are involved in offering or administering the products or services that we offer. We maintain physical, electronic, and procedural safeguards that are designed to comply with federal standards to guard your Information.

In the event you elect to opt out from our sharing your Information with our clearing agent, then it is highly possible that we will not be able to service your account with our Firm. Please call us at 415/449-1000 if you choose to opt out.

If our relationship ends, we will continue to treat the information as described in this Privacy Policy.

## **Educational Background and Business Experience of Investment Professionals**

### **Jane Bachmann, CIMA®, CFP®**

Year of birth: 1966

Education after high school:

Bachelor of Arts, English, Beijing Foreign Studies University, Beijing, China, 1988

MBA, University of North Texas, Denton, TX, 1992

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Principal, January 2010 to present

Fidelity Brokerage Services LLC, Adviser, July 1993 to December 2009

Certified Investment Management Analyst<sup>TM1</sup> designation received 2008

CERTIFIED FINANCIAL PLANNER<sup>TM2</sup> practitioner, received 2008

### **Bruce Brugler**

Year of birth: 1963

Education after high school:

Bachelor of Science, Mechanical Engineering, Stanford University, Stanford, CA, 1985

MBA, Stanford Graduate School of Business, Stanford, CA, 1993

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Principal, November 2004 to present

### **Colin Carter, CFA**

Year of birth: 1963

Education after high school:

Bachelor of Arts, Economics and Political Science, Duke University, Durham, NC, 1985

MBA, University of Texas at Austin, Austin, TX, 1987

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Managing Director, June 2003 to present

Chartered Financial Analyst<sup>®3</sup>, designation received 2001

### **Jerome Deren**

Year of birth: 1970

Education after high school:

Bachelor of Science, Economics, US Naval Academy, Annapolis, MD, 1992

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Principal, May 2007 to present  
Goldman, Sachs & Co., Advisor, July 2005 to May 2007

**William D. Evers, Jr.**

Year of birth: 1959

Education after high school:

Bachelor of Arts, Political Science, University of California at Berkeley, Berkeley, CA, 1982

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Managing Director, August 2009 to present

Alliance Bernstein LP, Advisor, October 2000 to August 2009

**James Hausberg**

Year of birth: 1957

Education after high school:

Bachelor of Science, Business Administration, University of Southern California, Los Angeles, CA, 1979

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Managing Director, January 2005 to present

**Daniel Keck**

Year of birth: 1971

Education after high school:

Bachelor of Science, Mechanical Engineering, United States Naval Academy, Annapolis, MD, 1993

MBA, Finance, The Wharton School at the University of Pennsylvania, Philadelphia, PA, 2007

Business background for past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Vice President, June 2010 to present

Morgan Stanley, Adviser, June 2006 to June 2010

**Kelly Lawson**

Year of birth: 1960

Education after high school:

Bachelor of Science, Finance and Management (major), Accounting and Economic (minor), Indiana University, Bloomington, IN, 1982

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Principal, September 2008 to present

Presidio Capital Advisors LLC, Registered Representative, May 2004 to September, 2010

**Yuval Shenkar**

Year of birth: 1964

Education after high school:

Bachelor of Business Administration, Finance, Baruch College, New York, NY, 1993

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Vice President, July 2004 to present

**J. Michael Tierney Jr.**

Year of birth: 1958

Education after high school:

Bachelor of Science, Chemical Engineering, Villanova University, Villanova, PA, 1981

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Managing Director, January, 2005 to present

**Kenneth C Wallace, Jr.**

Year of birth: 1948

Education after high school:

Bachelor of Science, Commerce, Washington & Lee University, Lexington, VA, 1970

MBA, Emory University, Atlanta, GA, 1976

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Managing Director, July 2004 to present

**Jeffrey Zlot, CFP®**

Year of birth: 1971

Education after high school:

Bachelor of Arts, Government, Colby College, Waterville, Maine, 1993

CERTIFIED FINANCIAL PLANNER™<sup>2</sup> practitioner, completed 2001.

Business background for the past five years:

Presidio Wealth Management LLC, Investment Adviser Representative and Managing Director, January 1998 to present

**Antonio Casal, CFA**

Year of birth: 1972

Education after high school:

Bachelor of Arts, Plan II Liberal Arts Honors Program, University of Texas at Austin, Austin, TX 1994

Master of Regional Planning, Cornell University, Ithaca, NY 1996

MBA, Harvard Business School, Boston, MA, 2004

Business background for the past five years:

Presidio Wealth Management LLC, Research Group associate and Principal, January 2008 to present

Bridgewater Associates, Client Advisor, January 2006 to December 2007

Bridgewater Associates, Associate, August 2004 to December 2005

Chartered Financial Analyst®<sup>3</sup>, designation received 2007

**Pablo Ferreri**

Year of birth: 1972

Education after high school:

Bachelor of Arts, Economics, Universidad De San Andres, Buenos Aires, Argentina, 1996

MBA, Finance and Operations, The Wharton School at the University of Pennsylvania, Philadelphia, PA, 2001

Business background for the past five years:

Presidio Wealth Management LLC, Research Group associate and Managing Director, April 2007 to present

The Walt Disney Company, Manager, Corporate Treasury, November 2005 to April 2007



**Mark Guinney, CFA**

Year of birth: 1969

Education after high school:

Bachelor of Arts, Economics, Pomona College, Claremont, CA, 1992

MBA, University of California at Berkeley, Berkeley, CA, 2002

Business background for the past five years:

Presidio Wealth Management LLC, Head of Research and Managing Director, October 2001 to present

Chartered Financial Analyst®<sup>3</sup>, designation received 2000

**Andrew Rosenthal, CFA**

Year of birth: 1969

Education after high school:

Bachelor of Science Business Administration, Finance, University of Arizona, Tucson, AZ, 1991

Business background for the past five years:

Presidio Wealth Management LLC, Research Group associate and Managing Director, November 2001 to present

Chartered Financial Analyst®<sup>3</sup>, designation received 2003

**Brodie Cobb**

Year of birth: 1961

Education after high school:

Bachelor of Arts, History, Tulane University, New Orleans, LA, 1984

MBA, University of Texas, Austin, TX, 1987

Business background for the past five years:

Presidio Wealth Management LLC, Chief Executive Officer, January 1998 to present

- Other Business Activities – Mr. Cobb is on the Board of Directors for Southwest Securities Inc. Mr. Cobb receives a fee for being a member of the Board of Directors for Southwest Securities, Inc.

**Mark Palmer**

Year of birth: 1966

Education after high school:

Bachelor of Arts, Philosophy, Politics and Economics, Claremont McKenna College, Claremont, CA, 1988

J.D., Georgetown University Law Center, 1992

MSFS, Georgetown Graduate School, 1992

Business background for the preceding five years:

Presidio Wealth Management LLC, Head of Presidio Wealth Management and Managing Director, November 2010 to present

Cetera Financial Group, National Sales Manager, August 2010 to November 2010

Managing Director and Business Consultant, Charles Schwab & Co., March 2007 to August 2010

Independent Business Consultant, September 2006 to March 2007

Comerica Bank, Regional Sales Manager, June 2004 to September 2006

## Other Legal, Outside Business Activities, Additional Compensation, and Supervision

Unless stated otherwise, all personnel listed above have no disciplinary issues, other business activities, or receive additional compensation outside of Presidio Wealth Management.

Advisers are supervised by the Head of Wealth Management, Mark Palmer. Investment advice is monitored through regular and periodic meetings with Advisors including, but not limited to, Executive Summaries provided to clients, Quarterly Reports, custodial statements, and on-going provided by the Research group at Presidio.

The Research Group is supervised by the Head of Research, Mark Guinney.

All parties can be reached at 415-449-1050.

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<sup>1</sup> CIMA® professionals have met the Investment Management Consultant's Association's (IMCA) credentialing standards. Eligibility requirements include:

- Background check
- Pass the Qualification Examination
- Complete the education program
- Pass the on-line Certification Examination

CIMA® professionals agree to adhere to IMCA's *Code of Professional Responsibility, Standards of Practice, and Rules and Guidelines for Use of the Marks*. Every 2 years, CIMA® professionals must renew their certification by completing a minimum of 40 hours of continuing education credit including two ethics hours. For more information go to [www.imca.org](http://www.imca.org)

<sup>2</sup> The CFP® is issued by the Certified Financial Planner Board of Standards, Inc. Candidates must meet the following prerequisites and experience requirements:

- A bachelor's degree (or higher) from an accredited college or university, and
- 3 years of full-time personal financial planning experience

Candidates must also complete a CFP-board registered program, which includes a comprehensive CFP® Certification Examination, pass the CFP Board's *Candidate Fitness Standards*, agree to abide by CFP Board's *Code of Ethics and Professional Responsibility* and *Rules of Conduct* and comply with the *Financial Planning Practice Standards*. To renew the CFP® certification, an additional 30 hours of course work every 2-years is required. For more information go to [www.cfp.net](http://www.cfp.net).

<sup>3</sup> The CFA Charterholder designation is issued by the CFA Institute. The experience and prerequisites for this designation is one of the following requirements:

- Undergraduate degree and 4 years of professional experience involving investment decision-making, or
- 4 years qualified work experience (full time, but not necessarily investment related)

CFA Charterholders are governed by a Code of Ethics and Standards of Professional Conduct. To earn the CFA charter, candidates are required to successfully complete three levels of self-study, and pass all three exams. There is no continuing education requirement to maintain this certification. For more information go to [www.cfainstitute.org](http://www.cfainstitute.org)