

**DWM Financial Group, Inc.  
d/b/a Detterbeck Wealth Management**

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January 31, 2012



This brochure provides information about the qualifications and business practices of DWM Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at (847) 934-6262 or [brett@dwmfnclgroup.com](mailto:brett@dwmfnclgroup.com). 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 DWM Financial Group, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique Identifying number, known as a CRD number. Our firm's CRD number is 111594. Our SEC file number is 801-57905.

## Material Changes

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Since our last ADV filing on October 18, 2011 with the Securities and Exchange Committee (SEC), this Firm Brochure formerly dated 10/18/2011 has been updated. As required, the details of the revisions are disclosed here. Previously, on page 8, we have added an explanation of our Solicitors Agreement; On pages 13 and 14, we discuss renamed the DWM New Tactical Portfolio as the DWM Liquid Alternatives Portfolio; On page 23, we have included educational background and business experience for Charles D. Capasso, a new solicitor for DWM who provides investment advice on the advisor's behalf and is subject to the advisor's supervision and control.

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The Securities and Exchange Committee (SEC) adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, 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. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## Advisory Business

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DWM Financial Group, Inc. is a SEC-registered investment adviser with its principal place of business located in Illinois. DWM Financial Group, Inc. began conducting business in 1999.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

- Lester G. Detterbeck, Chairman of the Board, Secretary, Treasurer, Advisory Representative
- Brett M. Detterbeck, President, Chief Operating Officer, Chief Compliance Officer, Portfolio Manager

DWM Financial Group, Inc. offers the following advisory services to our clients:

- I. Investment Management Advisory Services
- II. Financial Planning Services
- III. Ancillary Advice

### **I. Investment Management Advisory Services**

DWM Financial Group, Inc. d/b/a Detterbeck Wealth Management, offers Investment Management Advisory Services to our clients. Detterbeck Wealth Management is a wealth manager for clients with portfolios generally over \$500,000 that takes a more comprehensive view of a client's financial life. As a wealth manager, we not only offer to provide investment management advice, but also offer practical solutions for taxes, retirement, estate planning and asset protection. Detterbeck Wealth Management can offer to help investors at various points in their financial journey, helping them choose the appropriate strategies for their current asset levels, risk tolerances and time horizons.

Our Investment Management Advisory Services is a fee-based investment program designed to achieve reasonable long-term returns for a given level of risk. The goal is to provide top quality, professional investment services including analysis of client risk tolerance and financial goals, specific portfolio investment recommendations based on individual client needs, portfolio management which is regularly monitored, and issuance of quarterly performance reports.

Through personal discussions and meetings with the client in which goals and objectives based on a client's particular circumstances are established, we develop and clients approve a personal investment policy statement. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, liquidity needs, and other significant items.

Clients wanting to engage Detterbeck Wealth Management will be urged to establish an account with Charles Schwab & Co., Inc. or another agreed upon custodian and grant trading authorization to Detterbeck Wealth Management. Based on the client's investment objectives, risk tolerance, and financial situation, Detterbeck Wealth Management will manage the account on a continuous basis. Clients who choose another custodian are advised that the custodian must be able to provide duplicate statements and confirmations to Detterbeck Wealth Management and accept trades from Detterbeck Wealth Management.

Our independent investment recommendations will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Options contracts on securities
- Options contracts on commodities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in equipment leasing
- Fixed annuities
- Life insurance
- Closed-end funds
- Private equity / Venture capital

Because some types of investments involve certain additional degrees of risk, they will only be recommended/ implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Clients have the right to decline any investment recommendation.

Detterbeck Wealth Management does not represent, warrant or imply that the services or methods of analysis used by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to major market corrections or crashes. The client is advised that the investment recommendations and advice offered by Detterbeck Wealth Management are not legal advice or accounting service. The client should coordinate and discuss the impact of financial advice with their attorney and/or accountant. The client is advised that it is necessary to inform us promptly with respect to any changes in the client's financial situation and investment goals and objectives. Failure to notify us of any such changes could result in investment recommendations not meeting the needs of the client.

Termination of the advisory relationship: A client agreement may be canceled at any time, by either party in writing, for any reason without penalty within five business days after entering into the advisory agreement with Detterbeck Wealth Management. The client will be responsible for any fees and charges incurred by client from third parties as a result of maintaining the account, such as transaction fees for any securities transactions executed, and account maintenance or custodial fees. If a termination occurs during a quarter, the client will be charged on a pro-rata portion of the advisory fee for the quarter up to the date of termination.

## **II. Financial Planning Services**

Detterbeck Wealth Management offers written financial plans to clients including, but not limited to, retirement, estate, income tax, and postmortem planning. Financial planning is a comprehensive evaluation of a client's current and future financial state by using hypothetical variables to estimate

future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents provided by the client and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or financial adviser. Implementation of financial plan recommendations is entirely at the client's discretion. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address the following areas:

- Retirement: We analyze current strategies and investment plans offer suggestions to help the client achieve his or her retirement goals.
- Estate: We assist the client in developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney and asset protection plans and offer suggestions for review by them and their attorneys.
- Income Tax: We analyze the client's income taxes for past, current and future years and illustrate the impact of various investments on the client's current income tax and future tax liability. We offer suggestions for review by them and their accountants.
- Postmortem: We review the client's cash needs at death, income needs of surviving dependents and estate planning issues. We offer suggestions for review by them and their accountants and attorneys.

Financial planning recommendations are of a generic nature while independently focusing on the needs of the particular client.

### **III. Ancillary Advice**

Detterbeck Wealth Management will offer additional non-securities recommendations on estate and/or retirement planning issues during the process of analyzing a client's current financial situation and/or future goals.

This service is based on the client's financial situation at the time and is based on financial information disclosed by the client to Detterbeck Wealth Management. 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 not an indication of future performance. Detterbeck Wealth Management cannot offer any guarantees or promises that client's financial goals and objectives will be met. Further, the 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. Should the client's financial situation or investment goals or objectives change, clients must notify Detterbeck Wealth Management promptly of the changes.

#### *Publication of Periodicals*

Detterbeck Wealth Management publishes a periodic electronic newsletter called "Journey With DWM to What's Next" providing general information on various financial topics including, but not limited to, estate and retirement planning, market trends, current economic events, etc. No specific

investment recommendations are provided in this newsletter and the information provided does not purport to meet the objectives or needs of any individual.

This newsletter is distributed free of charge by e-mail to our advisory clients, prospects and other professionals.

### *Assets Under Management*

As of 12/31/2011, DWM Financial Group, Inc. had total clients' assets under management of \$75,604,559 of which \$53,461,580 were on a discretionary basis and \$22,142,979 on a non-discretionary basis.

## **Fees and Compensation**

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### **I. Investment Management Advisory Services**

The fees for Detterbeck Wealth Management Investment Management Advisory Services range from a minimum of 0.45% to a maximum of 1.75%, depending upon the investment style chosen, the nature of the advisory account and the size of the portfolio. Typically, the more assets placed under management indicates a lower management fee. The actual fee will be agreed upon by both parties before entering into an advisory agreement. The minimum annual fee is \$5,500. Therefore, a minimum of \$300,000 of assets under management is suggested for this service. Clients are advised that performance may suffer due to difficulties with diversifying smaller amounts. Certain clients prior to 01/01/2006 and children of clients may not be subject to the minimum fee. Fees may be adjusted with written notice to client.

Fees will be based on a percentage of the fair market value of all assets under management on the last day of the calendar quarter as per the percentages named above. Fees are charged quarterly and billed in arrears, as specified in the client's financial advisory agreement. In a partial advisory fee cycle, the advisory fee will be pro-rated based on the number of days the assets are under management during the particular advisory fee period. Fees will be due and payable upon receipt of the billing notice. In most cases, the fee is directly debited from the clients' account only after the client has been delivered an invoice reflecting the amount of the fee. Only when mutually agreed upon, the client may make payment by mailing in a check. DWM may group certain related client accounts for the purpose of achieving the minimum account size and determining the annualized fee. Fees are earned as of the commencement of the contract, assessed up to 30 days after notice of contract termination is received, and are prorated when assets were not managed for the entire quarter. Fees may be quoted on a fixed-fee basis. Fees are negotiable and are not based upon a share of capital gains or capital appreciation of the funds or any portion of the funds.

In addition to the advisory fees above, client may pay fees for custodial services, account maintenance fees, transaction fees, wire fees, and other fees associated with maintaining the account. Detterbeck Wealth Management does not share in any portion of such fees. Schwab's transaction fees are generally \$19.95 or less per equity or ETF trade. Please refer to the "Brokerage Practices" section (Item 12) for additional information. Additionally, client may pay internal operating expenses to the manager of any mutual fund, ETF, or structured note that are purchased on their behalf. Such expenses are not shared with Detterbeck Wealth Management and are compensation to the fund manager. DWM typically uses no-load mutual funds, so front load charges to the client are extremely rare. The no-load mutual funds usually require a minimum holding period; therefore clients would be subject to deferred sales if client needed to get out of a fund early. Front-end or deferred sales charges are not shared with Detterbeck Wealth Management and are

collected by the mutual fund and/or broker-dealer. If applicable, clients should read the mutual fund, ETF, or structured note prospectus before investing.

Under certain circumstances and as negotiated between client and Detterbeck Wealth Management, Detterbeck Wealth Management may cover a portion of the client's initial transaction fee expenses. Such circumstances may include, but not be limited to, clients who have accounts where a substantial number of trades are necessary to set-up the initial portfolio construction.

We reserve the right to waive the advisory fee on employee accounts.

The standard fee schedules and minimum account sizes are negotiable, and as a result, clients with similar assets may have differing fee schedules. Clients who negotiate a flat fee schedule may pay a higher fee than those who pay under a tiered schedule, depending on asset levels. Furthermore, the same or similar investment advisory services may be available from other investment advisers for a lower fee.

We may obtain clients through referrals and Investment Advisor Representatives (IARs) and/or Solicitors. Fees may be shared with one or more Investment Advisor Representatives/Solicitors as determined by the type and amount of IAR involvement. Fees will be shared with solicitors for client referrals as per the solicitors disclosure found within the clients Financial Advisory Agreement and are determined on a case-by-case basis. DWM's solicitors disclosure is in compliance with federal regulations. Each client is given verbal notice of this relationship prior to entering into an advisory agreement and must sign off on this disclosure as part of their advisory agreement known as DWM's Financial Advisory Agreement. Clients are advised that individuals acting as a solicitor for DWM may have a conflict of interest in having clients seek advisory services from DWM.

We may terminate the advisory agreement with you at any time by providing you with written notice. Likewise, you may terminate the advisory agreement at any time by providing us with written notice. Any outstanding amounts owed to us shall become immediately due and payable upon termination.

## **II. Financial Planning Services**

Detterbeck Wealth Management offers financial planning on a fixed fee and hourly fee basis. The fee amount will be determined depending on the nature of the services being provided and the complexity of each client's circumstances. We will provide an estimate for the total hours to determine the flat fee at the start of the planning relationship based on the length of time it will take to provide a financial plan given each client's personal situation. Fees are negotiable and are charged in accordance with the fee schedule below.

Fixed Fee: \$500 to \$10,000 - Payable one-half upon execution of the advisory agreement with Detterbeck Wealth Management and the balance due at the time of presentation of the plan, unless otherwise negotiated with the client. The client may terminate the agreement with Detterbeck Wealth Management 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 the client.

Hourly Fee: \$200 to \$500 - Payable as invoiced by Detterbeck Wealth Management. Generally, Detterbeck Wealth Management will invoice client for all time spent each month. Detterbeck Wealth Management or the client may terminate hourly advisory services within five business days after entering into the advisory agreement without penalty with written notice. After five business days of entering into the advisory agreement, client may terminate upon Detterbeck Wealth Management's receipt of clients written notice to terminate. Client will be responsible for any time



spent by Detterbeck Wealth Management in providing the client advisory services or analyzing the clients situation.

The client is advised that fees for financial planning are strictly for financial planning services. Therefore, client may pay fees for additional services obtained such as asset management.

Financial Planning Fee Offset: Detterbeck Wealth Management reserves the discretion to reduce or waive the fixed or hourly fee if a financial planning client chooses to engage Detterbeck Wealth Management for our Investment Management Advisory Services.

### **III. Ancillary Advice**

Detterbeck Wealth Management offers ancillary advice on a fixed fee and hourly fee basis. The fee amount will be determined depending on the nature of the services being provided and the complexity of each client's circumstances. We will provide an estimate for the total hours or determine the flat fee at the start of the planning relationship based on the length of time it will take to provide a financial plan given each client's personal situation. Fees are negotiable and are charged in accordance with the fee schedule below.

Fixed Fee: \$500 to \$10,000 - Payable one-half (1/2) upon execution of the advisory agreement with Detterbeck Wealth Management and the balance due at the time of presentation of the plan, unless otherwise negotiated with the client. The client may terminate the agreement with Detterbeck Wealth Management 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 the client.

Hourly Fee: \$200 to \$500 - Payable as invoiced by Detterbeck Wealth Management. Generally, Detterbeck Wealth Management will invoice the client for all time spent each month. Detterbeck Wealth Management or the client may terminate hourly advisory services within five business days after entering into the advisory agreement without penalty with written notice. After five business days of entering into the advisory agreement, the client may terminate upon Detterbeck Wealth Management's receipt of clients written notice to terminate. The client will be responsible for any time spent by Detterbeck Wealth Management in providing the client advisory services or analyzing the clients situation.

The client is advised that fees for ancillary advice are strictly for that purpose. Therefore, the client may pay fees for additional services obtained such as asset management.

#### *General Information*

Clients should note that similar advisory services may or may not be available from other Registered Investment Advisors for similar or lower fees.

Under no circumstances do we require or solicit payment of investment management advisory fees in any amount. For financial planning and ancillary advice, we do not require or solicit payment of fees in any amount for any client more than 3 months in advance of services rendered.

### **Performance-Based Fees and Side-By-Side Management**

Detterbeck Wealth Management does not charge performance-based fees.

## Types of Clients

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Detterbeck Wealth Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (plan participants only)
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account suggestions, based on the nature of the service(s) being provided. For a more detailed understanding of those suggestions, please review the disclosures provided in each applicable service.

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

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### Methods of Analysis

We may use the following methods of analysis in formulating our investment advice and/or managing the client assets:

*Fundamental Analysis.* We, or the funds we use, attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

*Technical Analysis.* We, or the funds we use, analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

*Quantitative Analysis.* We, or the funds we use, use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove incorrect.

*Qualitative Analysis.* We, or the funds we use, subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and developmental factors not readily subject to measurement, and predict changes to share price based on that data. A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

*Other Analysis.* We, or the funds we use, analyze mutual funds by tracking the Sharpe ratio (reward per risk unit), style, historical performance, alpha of funds, and other Modern Portfolio Theory methodologies.

We use the following sources of information in addition to the analysis methods listed above:

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Annual reports, prospectuses, and filings with the Securities and Exchange Commission
- Company press releases

*Risk for all forms of analysis:* Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **Investment Strategies**

Detterbeck Wealth Management offers several investment strategies. Below we describe these strategies as they relate to the main asset classes: equities, fixed income, and alternatives.

### *Equity Strategies:*

Equities may provide long-term capital growth and may serve as an inflation hedge.

Detterbeck Wealth Management clients generally get strategic equity exposure via one or both of the strategies below:

- DWM Equity ETF Model Portfolio
- DWM Equity Mutual Fund Model Portfolio

Account size, transaction costs, and tax ramifications are considered before implementing either strategy.

### *Equity ETF/MF Portfolio Investment Objective*

Equity Exchange Traded Fund (“ETF”) and Mutual Fund Portfolios were established for the investor seeking above market-like returns from an actively managed portfolio of mutual funds/ETFs. These Portfolios seek to create long-term, capital appreciation for its followers by investing in several leading no-load mutual funds/ETFs diversified in an array of investment styles. By utilizing both asset allocation and risk management techniques, the mutual funds/ETFs chosen provide a mean to potentially optimize returns and minimize risk.

### *Equity ETF/MF Portfolio Investment Process*

**Philosophy & Approach** - DWM uses an intensive, in-house quantitative research process to identify mutual funds/ETFs that meet our strict criteria. In evaluating potential investments, we focus on investment styles capable of outperforming the current market conditions. Through these filters, we pick our top prospects.

**Risk Management** - Each Equity ETF and Mutual Fund Portfolio represents a good balance between diversification and focus. Diversification is provided through the multiple investment styles. For example, the large cap, mid cap, small cap and international styles are all represented.

**Strategic Long-Term Focus** - The funds chosen are generally picked for the long-term and are rebalanced two or three times per year. However, we monitor performance of these vehicles constantly to see if they are continuing to meet our criteria. When we believe that it is in the best

long-term interest to make changes in the equity ETF or mutual fund portfolios, we do so.

Beyond our two main strategies featured above, DWM offers to provide exposure to private equity, separate account managers, and other special equity situations.

#### *Fixed Income Strategies:*

Fixed income investments add stability to your portfolio while providing limited protection against extreme economic environments.

DWM clients generally get fixed income exposure via one or a combination of several different strategies:

- Bond Ladders using individual bonds
- DWM Fixed Income ETF Model Portfolio
- DWM Fixed Income Mutual Fund Model Portfolio

Account size, transaction costs, and tax ramifications are considered before implementing any strategy.

#### *Bond Ladders*

A popular design available for larger accounts and that is innovative, yet conservative, is a bond ladder (the construction of a well-diversified portfolio of bonds with different maturities).

Our bond ladders can be structured to:

- Provide attractive portfolio yields
- Generate a reliable income stream
- Minimize exposure to interest rate risk
- Minimize reinvestment risk by allocating a portion of the portfolio to longer-term, high-yield bonds
- Maintain liquidity through the portfolio's maturing, shorter-term bonds
- Meet changing market conditions and evolving financial goals

Typically, bond ladders are constructed of only investment grade corporate, agency, and/or municipal bonds. Bond Mutual funds or ETFs are supplemented to get the non-core bond exposure such as international bonds, emerging bonds, currency bonds, and high yield bonds.

#### *Fixed Income ETF / Mutual Fund Portfolio Investment Objective*

Fixed Income ETF and Mutual Fund Portfolios were established for the investor seeking exceptional from an actively managed portfolio of mutual funds. These Portfolios seek to create long-term, capital appreciation for its followers by investing in several leading no-load mutual funds diversified in an array of investment styles. By utilizing both asset allocation and risk management techniques, the mutual funds chosen provide a mean to potentially optimize returns and minimize risk.

#### *Fixed Income ETF / Mutual Fund Portfolio Investment Process*

Philosophy & Approach - DWM uses an intensive, in-house quantitative research process to identify ETFs/mutual funds that meet our strict criteria. In evaluating potential investments, we focus on asset classes and styles capable of outperforming the current market conditions. Through these filters, we pick our top prospects.

**Risk Management** - Each Fixed Income ETF and Mutual Fund Portfolio represent a good balance between diversification and focus. Diversification is provided through variation within particular asset class sectors. For example, the government, corporate, inflation protected, high yield, international, emerging, and currency styles are all represented.

**Long-Term Focus** - The funds chosen are generally picked for the long-term and rebalanced two or three times per year. However, we monitor performance of these vehicles constantly to see if they are continuing to meet our criteria. When we believe that it is in the best long-term interest to make changes in the mutual fund portfolios, we do so.

### Alternative Strategies:

In today's market climate, we believe non-correlated, alternative investments are a key element of a high-net worth investor's financial strategy for a portion of their overall portfolio.

A traditional portfolio of stocks and bonds is not the answer alone; they're great during bull markets, but can be brutal during bear markets. If your first goal is to protect your assets, and your second goal to grow your assets, we suggest incorporating an appropriate mix of non-correlated alternative investments to your portfolio. Many alternatives are designed to participate in up markets and protect in down markets. The result: less volatility, less anxiety, more stable returns and greater piece of mind. These alternative investments come in two different flavors:

**Non-liquid Alternatives ("NLAs"):** NLA assets are typically not publicly traded and hence not easily redeemable. Examples of these include: equipment leasing, timberland, private real estate and oil & gas limited partnership programs. While NLA investments tend to be less liquid than traditional asset classes, they generally make up for such inflexibility with steady and relatively high yields. For risk management purposes, DWM suggests less than 10% to any one particular non-liquid alternative product within a client's portfolio and no more than 25% to all NLA combined.

**Liquid Alternatives ("LAs"):** LA assets are those that use publicly traded securities and are easily redeemable. Examples of these include: commodity funds, public REIT funds, and the 200+ mutual funds that follow hedge-fund like strategies, but without all of the potential headaches of a private hedge fund. DWM has created a liquid alternative strategy that uses a handful of complementary LA funds that have the ability to excel in any market environment, and most importantly protect on the downside. More information on the DWM Liquid Alternatives Portfolio can be found below.

### The DWM Liquid Alternatives Portfolio

The DWM Liquid Alternatives Portfolio was established for the investor seeking less volatility and more absolute-type returns than the equity market. The target return of the DWM LA Portfolio is 9% per annum\*. Holdings may include arbitrage funds, global tactical allocation funds, closed-end specialty funds, and market neutral funds. DWM constantly monitors this dynamic liquid alternative area for fund openings that may represent new opportunities for the DWM LA model and its investors.

\*Returns are in no way guaranteed. Past performance is no guarantee of future results and there is a possibility that clients may experience a loss.

### *Liquid Alternatives Philosophy & Overview*

The DWM LA model follows a "low beta" approach. "Low beta" means returns have little correlation to market risk & return. That being said, when there is a bull market, the performance of the model will not be as great as a 100% stock portfolio. However, in a bear market, the model is geared to protect your downside. For example, in 2008, many of these alternative funds held their ground while equity funds suffered losses of 35% or more. Liquid alternatives are a great way to add

flexibility to your portfolio in these changing economic times by performing in up markets and protecting in down markets.

DWM uses an in-house quantitative research process to identify mutual funds that meet our special criteria. In evaluating potential investments, we focus on non-traditional asset classes and/or non-traditional strategies designed of taking advantage of market pricing anomalies or strong market sectors or other items. Through these filters, we pick our top prospects.

The funds chosen are quite complementary to one another. Some, like closed-end specialty funds are more volatile by nature than market-neutral funds. Together, they create a very powerful portfolio that can potentially excel in any market environment.

The funds chosen are generally picked for the long-term. However, we monitor performance of these securities constantly to see if they are continuing to meet our criteria. Rebalancings are typically semi-annual or more often as appropriate. With new liquid alternative funds hitting the marketplace all the time, constant monitoring of the investment universe is essential to find the new opportunities and hidden gems.

A fact sheet for each one our DWM Investment Strategies (Equity, Fixed Income, and Alternatives) is available to our advisory clients and prospective clients. One may request a copy by email sent to [brett@dwmfnclgroup.com](mailto:brett@dwmfnclgroup.com), or by calling us at (847) 934-6262.

Risk of Loss: Securities investments are not guaranteed and you may lose money on your investments. It is impossible to predict the future and there is no assurance that we will attain your objectives or that any investment recommendation/strategy will be profitable. Selecting one of our investment services may result in different performance results than what otherwise might have been achieved had you selected one of the other services. In addition, clients in the same investment service may have differing performance depending upon the individual investment objectives and risk tolerance of each client. Clients have the right to decline any investment recommendation.

## **Disciplinary Information**

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We are required to disclose any legal or disciplinary events that are material to a client's or a prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

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Our firm is not engaged in other financial industry activities, however, Lester G. Detterbeck, a principal shareholder, is a Certified Public Accountant and may engage in the business of providing CPA services through Detterbeck, Johnson & Monsen, an accounting firm, where Lester G. Detterbeck is a 20% owner. Lester G. Detterbeck spends approximately 20% of his time working as a Certified Public Accountant for Detterbeck, Johnson & Monsen. The remainder of his time is spent providing advisory services through Detterbeck Wealth Management, where he is a majority owner. Clients in need of accounting services may be referred to Detterbeck, Johnson & Monsen.

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

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Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal and state securities laws.

Detterbeck Wealth Management and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics, but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons within the appropriate due date, where applicable.

Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our Code also provides for oversight, enforcement and record keeping provisions.

Detterbeck Wealth Management's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity. This includes trading and sharing of such information.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. One may request a copy by email sent to [brett@dwmfnclgroup.com](mailto:brett@dwmfnclgroup.com), or by calling us at (847) 934-6262.

Lester G. Detterbeck and Brett M. Detterbeck and all members of their households may personally own securities or products which may also be recommended and purchased or sold for clients. However, no employee of Detterbeck Wealth Management will put their interests before a client's interest. Neither Detterbeck Wealth Management nor its associated persons may trade ahead of their clients or trade in such a way to obtain a better price for themselves than for their clients. Detterbeck Wealth Management is required to maintain a list of all securities holdings for its associated persons.

Detterbeck Wealth Management and individuals associated with our firm are prohibited from engaging in principal transactions and agency cross transactions.

## **Brokerage Practices**

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For discretionary clients, Detterbeck Wealth Management requires these clients to provide us with written authority to determine the broker/dealer to use and the commission costs that will be charged by the broker-dealer to these clients for these transactions.

Presently, Detterbeck Wealth Management encourages clients to use Charles Schwab & Co, Inc. ("Schwab"), a FINRA registered broker/dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. When selecting a preferred custodian, DWM considered reputation, size, longevity, fees, technology sophistication and level of service. The transactions and account maintenance fees of Schwab may be higher or lower than that of other broker/dealers.

Detterbeck Wealth Management is independently owned and operated and not affiliated with Schwab.

Schwab provides Detterbeck Wealth Management with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. Schwab'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 our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab may charge a separate custodian fee for investments of alternative products, i.e. non-public securities.

Schwab Institutional also makes available to our firm other products and services that benefit Detterbeck Wealth Management but may not directly benefit our clients' accounts.

Schwab's products and services that assist us in managing and administering our 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 our fees from clients' accounts; and
- v. assist with back-office functions, record keeping and client reporting

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefit providers, human capital consultants and insurance providers.

Schwab may make available, arrange, and/or pay third-party vendors for the types of services rendered to Detterbeck Wealth Management. Schwab Institutional 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 our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements a part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Detterbeck Wealth Management will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from



multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price.

Detterbeck Wealth Management strives for best execution. Best execution includes the duty to seek the best quality of execution, as well as the best net price. Detterbeck Wealth Management encourages clients with individual accounts of greater than \$100,000 to sign Prime Brokerage forms which enable us to trade securities outside of Schwab, if Detterbeck Wealth Management believes that best execution is possible there.

When exercising investment discretion over a client account, the lowest commission rate available does not have to be paid if Detterbeck Wealth Management determines, in good faith, that the rate paid is commensurate with the value of the brokerage and research services provided by the broker dealer.

Detterbeck Wealth Management may at times recommend non-public securities to clients. In these circumstances, custody of these securities may maintain with the original vendor. In these cases, Detterbeck Wealth Management has no control over any transaction costs involved, if any, but Detterbeck Wealth Management does take these transaction costs into question before making such a recommendation.

## **Review of Accounts**

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### **I. Investment Management Advisory Services**

**Reviews:** While the underlying securities within Investment Management Advisory Services accounts are continually monitored, client accounts are reviewed quarterly at a minimum. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances (such as cash needs or contributions), or the market, political or economic environment.

These accounts are reviewed by the two principals of the firm: Brett M. Detterbeck, CFA, CFP® and Lester G. Detterbeck, CPA, CFP®, CFA.

**Reports:** In addition to the monthly statements and confirmations of transactions that Investment Management Advisory Services clients receive from their broker/dealer, Detterbeck Wealth Management will provide quarterly reports summarizing account balances, asset allocation and holdings. The consolidated reports will also summarize the client's current positions from all their custodians and performance for the period and year-to-date. Clients have 24 hour access to their accounts by viewing their password protected area within [www.dwmgmt.com](http://www.dwmgmt.com).

### **II. Financial Planning Services**

**Reviews:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for financial planning clients unless otherwise requested. When requested, reviews will be conducted by Brett M. Detterbeck, CFA, CFP® and/or Lester G. Detterbeck, CPA, CFP®, CFA. A fee may be charged.

**Reports:** Financial planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise requested. A fee may be charged.

### **III. Ancillary Advice**

Reviews: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for ancillary service clients unless otherwise requested.

When requested, reviews will be conducted by Brett M. Detterbeck, CFA, CFP® and/or Lester G. Detterbeck, CPA, CFP®, CFA. A fee may be charged.

Reports: Only if applicable.

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

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Detterbeck Wealth Management may obtain clients through independent persons or firms (“Investment Advisor Solicitors”) and through referrals. Our firm may pay referral fees to Investment Advisor Solicitors for introducing clients to us. Fees may be shared with one or more Investment Advisor Solicitors as determined by the type and amount of involvement, and fees will be shared with Solicitors for client referrals as per the Solicitor’s Disclosure Statement. Fees are determined on a case-by-case basis. Detterbeck Wealth Management’s Solicitors Agreement is in compliance with federal regulations and where state law requires, each client is given a copy of the referral agreement prior to, or at the time of, entering into an advisory contract. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our Firm Brochure) and a separate Solicitor’s Disclosure Statement that includes the following information:

- the Solicitor’s name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

It is Detterbeck Wealth Management’s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Clients are advised that individuals acting as a Solicitor for Detterbeck Wealth Management may have a conflict of interest in having clients seek advisory services from Detterbeck Wealth Management. Solicitors are not permitted to offer clients any investment advice on behalf of Detterbeck Wealth Management.

### **Custody**

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We previously disclosed in the “Fees and Compensation” section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client’s custodian is advised of the amount of the fee to be deducted from that 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.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts.

DWM also sends consolidated quarterly statements to clients using third-party software. These reports provide not only account detail at multiple custodians, but also market commentary, performance evaluation, billing detail, and more. These reports have been made from data believed to be reliable, but no representation is made as to accuracy or completeness. Furthermore, clients should review and compare these statements to the statements provided by custodians.

## **Investment Discretion**

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Detterbeck Wealth Management emphasizes the unrestricted right of the client to decline to implement any advice rendered except in situations where our firm is granted discretionary authority of the client's account.

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell
- determine the broker/dealer to be used

Presently, Detterbeck Wealth Management encourages clients to use Schwab as the main custodian for the Investment Management Advisory Services. When selecting a third party broker/dealer, we considered reputation, size, longevity, fees, computer access and level of service. The transactions and account maintenance fees of Schwab may be higher or lower than other broker/dealers.

Clients give us discretionary authority when they sign a discretionary agreement with our firm and may limit the authority by giving us written instructions. Clients may also change or amend such limitations by once again providing us written instructions.

## **Voting Client Securities**

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We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an

independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Brett M. Detterbeck by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting Brett M. Detterbeck by e-mail at [brett@dwmfnclgroup.com](mailto:brett@dwmfnclgroup.com); phone at (847) 934-6262; or by mail at 220 N. Smith Street, Suite 410, Palatine, IL 60067.

## **Financial Information**

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Detterbeck Wealth Management has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of investment management advisory fees in any amount. For financial planning and ancillary advice, we do not require or solicit payment of fees in any amount for any client more than 3 months in advance of services rendered.

Detterbeck Wealth Management has not been the subject of a bankruptcy petition at any time.

**DWM Financial Group, Inc.  
d/b/a Detterbeck Wealth Management**

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Palatine, IL 60067

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January 31, 2012



This brochure provides information that will disclose information about the Particular advisory personnel whom clients receiving the supplement(s) will be relying on for investment advice with DWM Financial Group, Inc. If you have any questions about the contents of this brochure, please contact us at (847) 934-6262 or [brett@dwmfnclgroup.com](mailto:brett@dwmfnclgroup.com). 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 DWM Financial Group, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 111594. Our SEC file number is 801-57905.

Detterbeck Wealth Management is required to provide this brochure supplement to a client before or at the time the advisory services begin with that particular client. This brochure supplement will disclose information about the particular advisory personnel whom clients receiving the supplement(s) will be relying on for investment advice. This brochure supplement covers the supervised person of the advisor who provides investment advice to clients. The SEC defines a “supervised person” as any of the advisor’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on the advisor’s behalf and is subject to the advisor’s supervision and control. Because we are a smaller firm with a limited number of supervised persons, and little to no turnover, we are including this brochure supplement at the end of our Firm Brochure (Part 2A) instead of preparing a separate brochure supplement.

The brochure supplement includes the following for each supervised person covered:

- Education background
- Business experience
- Other business activities
- Additional compensation received
- Disciplinary information
- A description of how the advisor monitors the investment advice provided

## **Educational Background and Business Experience**

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As previously disclosed in the “Advisory Business” section (Item 4) of our Firm Brochure, Detterbeck Wealth Management has two (2) principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company). Listed below are those individuals, along with their education and business backgrounds:

### **Brett M. Detterbeck, CFA, CFP® Born in 1971**

Formal education: University of California at Santa Barbara, CA, BA, 1993

Business background:

DWM Financial Group, Inc. (d/b/a Detterbeck Wealth Management)  
Positions: President, Chief Compliance Officer, Head Portfolio Manager.  
Employment: 09/2000 to Present.

DWM Wealth Vehicles, LLC (formerly Midwest Financial Center, LLC)  
Position: Registered Representative.  
Employment: 01/2003 to 12/2009.

Quantum Investment Management, LLC  
Positions: Principal, Head Portfolio Manager, Trader.  
Employment: 07/2004 to 12/31/2007.

ABN Amro Asset Management (USA), Inc.  
Positions: Portfolio Manager, Trader.  
Employment: 08/1994 to 08/2000.

Bloom Securities  
Position: Trader.  
Employment: 08/1993 to 07/1994.

**Lester G. Detterbeck, CPA, CFA, CFP® Born in 1947**

Formal education: University of Illinois, BA, 1969; Roosevelt University, MBA, 1978

Business background:

DWM Financial Group, Inc. (d/b/a Detterbeck Wealth Management)  
Positions: Chairman of the Board, Secretary, Treasurer, Advisory Representative.  
Employment: 01/1999 to Present.

DWM Wealth Vehicles, LLC (formerly Midwest Financial Center, LLC)  
Position: President.  
Employment: 01/2003 to 12/2009.

Quantum Investment Management, LLC  
Position: Principal.  
Employment: 07/2004 to 12/31/2007.

Detterbeck, Johnson & Monsen, a Certified Public Accounting firm  
Position: Chairman of the Board.  
Employment: 08/1976 to Present

Detterbeck Investment Advisers, Inc.  
Positions: President, Secretary, Treasurer.  
Employment: 04/1988 to 12/31/1998.

Terra Securities Corporation  
Position: Registered Representative.  
Employment: 05/1993 to 05/1999.

**Charles D. Capasso, CFP® Born in 1981**

Formal education: University of Vermont School of Business, BA, 2004

Business background:

DWM Financial Group, Inc. (d/b/a Detterbeck Wealth Management)  
Position: Relationship Manager.  
Independent Contractor: 08/2011 to Present.

Morris Financial Concepts, Inc.  
Position: Senior Financial Planner.  
Employment: 08/2006 to 08/2011.

Maverick Southern Kitchens  
Employment: 12/2005 to 01/2008.

Longhorn Steakhouse - South Carolina / Vermont  
Employment: 09/2003 to 12/2005.

Secure Financial Services  
Position: Financial Analyst.  
Employment: 11/2004 to 03/2005.

Cactus Pete's Steakhouse  
Employment: 01/2003 to 09/2003.

Outback Steakhouse  
Employment: 02/2001 to 01/2003.

## **Disciplinary Information**

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We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Lester G. Detterbeck, Brett M. Detterbeck, and Charles D. Capasso do not have any reportable disciplinary events to disclose.

## **Other Business Activities**

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Lester G. Detterbeck, a principal shareholder, is a Certified Public Accountant and may engage in the business of providing CPA services through Detterbeck, Johnson & Monsen, an accounting firm, where Lester G. Detterbeck is a 20% owner. Lester G. Detterbeck spends approximately 20% of his time working as a Certified Public Accountant for Detterbeck, Johnson & Monsen. The remainder of his time is spent providing advisory services through Detterbeck Wealth Management, where he is a majority owner. Clients in need of accounting services may be referred to Detterbeck, Johnson & Monsen.

Brett M. Detterbeck is not involved in any other business activities. His time is solely spent providing advisory services through Detterbeck Wealth Management.

Charles D. Capasso is not involved in any other business activities. His time is solely spent providing advisory services through Detterbeck Wealth Management.

## **Additional Compensation**

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As mentioned in "Other Business Activities" in section (Item 4), Lester G. Detterbeck spends approximately 20% of his time working as a Certified Public Accountant for Detterbeck, Johnson & Monsen. Accordingly, he is compensated for his time spent on those accounting business matters.

Brett M. Detterbeck and Charles D. Capasso do not have any additional compensation for other business matters.



## Supervision

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Mr. Brett M. Detterbeck and Mr. Lester G. Detterbeck are partners in Detterbeck Wealth Management and work closely together in managing client portfolios. Policies and procedures are in place to ensure no client receives preferential treatment and no client is disadvantaged.

### Name, Title and Telephone Number of Supervisors

Brett M. Detterbeck and Lester G. Detterbeck, Partners, (847) 934-6262

## Other General Information Items

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Detterbeck Wealth Management does have a general business standard for those supervised persons involved in determining or giving investment advice to clients. It is important to note that all Investment Advisor Representatives must be in agreement with the ethical tenets espoused by the International Association of Financial Planner (IAFP), must have a college degree plus an MBA or CFP and five years of industry experience.

In October, 2010, the Securities and Exchange Commission (SEC) amended Form ADV, Part 2B, which now provides that an adviser “may list any professional designation held by the supervised person.” As such, Detterbeck Wealth Management is providing an explanation of the minimum qualifications required for the Certified Financial Planner, CFP® designation held by Lester G. Detterbeck, Brett M. Detterbeck, and Charles D. Capasso and for the Chartered Financial Analyst “CFA” designation held by Lester G. Detterbeck and Brett M. Detterbeck to allow clients to understand the value of the designation.

### CFP® Certification Explanation Statement

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

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

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;

- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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

### **CFA Institute Financial Adviser Statement**

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute - the largest global association of investment professionals.

There are currently more than 90,000 CFA charter holders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

#### *High Ethical Standards*

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

#### *Global Recognition*

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in

today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charter holders - often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

#### *Comprehensive and Current Knowledge*

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

Filename: Firm\_Brochure Part II updated 013112  
Directory: R:\Detterbeck Wealth Mgmt\Compliance\ADV\Annual  
Amendment & Other Filings (Part II)\2012  
Template: C:\Documents and Settings\jenny\Application  
Data\Microsoft\Templates\Normal.dot  
Title: Appendix C Part 2 of Form ADV  
Subject:  
Author: Don L. Evans  
Keywords:  
Comments:  
Creation Date: 1/31/2012 11:52:00 AM  
Change Number: 2  
Last Saved On: 1/31/2012 11:52:00 AM  
Last Saved By: jenny  
Total Editing Time: 1 Minute  
Last Printed On: 1/31/2012 11:53:00 AM  
As of Last Complete Printing  
Number of Pages: 27  
Number of Words: 11,304 (approx.)  
Number of Characters: 64,436 (approx.)