

**Form ADV Part 2A – Firm Brochure
Item 1 – Cover Page**

Jaffe Wealth Management & Consulting, Inc.

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This brochure provides information about the qualifications and investment advisory business practices of Jaffe Wealth Management & Consulting, Inc. If you have any questions about the contents of this brochure please contact Edwin Jaffe at 901-753-3886. 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 my investment advisory business is also available on the Internet at www.adviserinfo.sec.gov. You can view the firm's information on this website by searching for "Jaffe Wealth Management & Consulting" by name or by using the firm's CRD number. The CRD number for the firm is **114100**.

Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

This item provides information regarding specific material changes and a summary of such changes made to the Disclosure Brochure since the last annual update of the brochure which occurred in March 2012.

Since our last annual update, Jaffe Wealth Management & Consulting, Inc. initiated the transition of its registration from the SEC to the individual state level. In 2011, investment advisor firms registered with the SEC with less than \$90 million in assets under management were required to transition to registration directly with state securities regulators. Our firm's assets under management are below the \$90 million threshold and thus must transition to state registration. Subsequently, Item 19 – Requirements for State Registered Advisers has been added to this brochure and additional information has been added to Edwin Jaffe's Form ADV Part 2B Brochure Supplement which starts on page 19.

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Item 4 – Advisory Business

Jaffe Wealth Management & Consulting, Inc. (also referred to as “JWMCI” throughout this document) is an investment advisor registered conducting business in states where it is properly registered or qualifies for an available exemption to registration. JWMCI is a corporation formed under the laws of the State of Tennessee.

- JWMCI has been registered as an investment advisor since May 2008. JWMCI is a successor of Jaffe & Associates Advisory Group Inc. (JAAG) which was registered as an investment advisor beginning September 2001.
- The firm’s controlling owner, President, Chief Compliance Officer and sole employee is Edwin Jaffe. Full details of Mr. Jaffe’s education and business background are provided in item 19 of this Disclosure Brochure.
- The firm offers two primary services: 1) personalized investment advisory services primarily through its Asset Management and Review Services and 2) Consulting Services on a variety of personal and business financial matters, including personal financial planning.

Description of Advisory Services

Asset Management and Review Services. This is the primary service offered by JWMCI, and most clients receiving this Disclosure Brochure will be signing up for Asset Management and Review Services. The service involves providing clients with continuous and on-going supervision over client accounts. This means that JWMCI will continuously monitor a client’s account and make or recommend trades in client accounts when necessary. Typically, JWMCI will not have discretion on the client’s accounts which means JWMCI cannot buy and sell securities without talking to you prior to each buy/sell decision.

Consulting Services. JWMCI may also offer advisory services in the form of Consulting Services. This service does not involve the active management of client accounts, but instead focuses on a client’s specific financial issue or the overall financial situation. Financial Planning can be described as one of the consulting services that address the client’s more comprehensive financial situation and is designed to help individuals determine and set their long-term financial goals, through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation, help the client set financial goals and objectives, and to possibly help implement strategies to increase their chances of reaching their specific goals and objectives.

Specialization.

The firm specializes in providing individualized investment advice through its asset management and review services and/or its consulting services.

Types of Investments.

JWMCI and Mr. Jaffe are willing to offer advice on all types of investments owned by a client and at the specific request of a client. Mr. Jaffe will also explore investment options not currently owned by a client. The following are some of the general categories of securities that advice may be given.

- Exchange-listed securities
- Securities traded over-the-counter

- Exchange Traded Funds (ETFs)
- Foreign issues
- 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 and commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate, oil and gas interests, equipment leasing, cable television
- Federal tax credit programs,
- Fixed insurance products
- Unit Investment Trusts (UITs)
- Farm land and timber land
- We may provide advice to a client regarding real estate investment trusts, real estate partnerships and other private placement investments. These types of investments are often illiquid, which means that the investments can be difficult to trade and consequently can limit a client's ability to sell the investments in a timely manner and at an advantageous price. Additionally, some investments may not have registered pursuant to the Securities Act of 1933, and therefore the client will need to complete a subscription agreement showing the client is an "accredited" investor (as defined by applicable law and rules and regulations) and acknowledge that he or she has read and understands the private placement memorandum and is aware of the various risk factors associated with such an investment.

When providing Asset Management and Review Services, JWMCI will typically construct the majority of each client's account holdings using no-load, low-fee, or load-waived mutual funds to build diversified portfolios. As well, JWMCI may also recommend the use of Variable Annuities (VA) to hold their diversified portfolio built with the sub-accounts available within the Annuity contract. Typically, the use of VAs within a client's portfolio will most likely be recommended due to the availability of living and/or death benefit riders offered by the Insurance Company sponsoring the annuity contracts which are not available in other investment types.

It is not JWMCI's typical investment strategy to attempt to time the market, but a modest increase or decrease of cash holdings, as deemed appropriate, based on your risk tolerance and JWMCI's expectations of market behavior may be implemented. JWMCI does not prefer to select individual securities but will do so if you have a history of such investments. JWMCI may also modify the investment strategy to accommodate special situations like: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

Tailor Advisory Services to Individual Needs of Clients

Advisory Services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts that are managed for you, including specific investment selections and sectors.

Client Assets Managed by JWMCI

The amount of client assets managed by JWMCI totaled \$56,755,347.00 as of December 31, 2011. The entire amount is managed on a non-discretionary basis.

Item 5 – Fees and Compensation

In addition to the information provided in Item 4 – Advisory Business, this section provides details regarding JWMCI's services along with descriptions of each service's fees and compensation arrangements.

Asset Management and Review Services.

JWMCI provides investment supervisory services defined as giving continuous investment advice (or making investment decisions) for the client based on the individual needs of the client. Through this service, JWMCI offers a highly customized and individualized investment program for clients. JWMCI will actively monitor your investment portfolios (which may or may not result in recommendations to effectuate changes in client accounts) in accordance with your individual needs, objectives and risk tolerance.

JWMCI may provide asset management services through accounts maintained at a qualified custodian that I recommend or one that is selected by you. Under this agreement, JWMCI will be granted trading authorization on your account. JWMCI may also provide asset review services on accounts in which trading authorization is not granted by the client. Under this agreement, JWMCI will provide ongoing review services of the client's assets; however, the client must implement all trades in the account and the advisor will not have direct access to the account. At no time will JWMCI ever have direct access to client funds and securities when trading authorization is not granted.

Clients are charged for JWMCI's asset management and review services based on 1) a percentage of assets under management/review and/or 2) based on an hourly fee. The actual fee charged is negotiable based on factors such as your financial situation and circumstances, the amount of assets under management/review, whether JWMCI will have discretionary trading authorization over your account(s), the qualified custodian selected and the overall complexity of the services provided. The exact services and fees will be agreed upon and detailed in the agreement for services prior to services being provided.

Hourly fees range up to \$300 and are negotiable per the conditions set forth above.

The following is the maximum asset based fee schedule used by JWMCI.

Assets below \$250,000	are charged an annual rate of 1.00%;
Assets from \$250,001 to \$1,000,000	are charged an annual rate of 0.75%;
Assets above \$1,000,001	are charged an annual rate of 0.50%.

The annual asset-based fee charged by JWMCI is divided and calculated quarterly in arrears. The applicable quarterly fee for services rendered by JWMCI over the preceding period will be calculated as of the last business day of the calendar quarter. Fees for services provided during the initial period will be prorated based on the number of days services are actually provided.

Client fees are typically paid directly to JWMCI upon receipt of a billing invoice sent from JWMCI to the client. Under this situation, fees are due upon client's receipt of the billing invoice. Upon discretion of JWMCI, clients may provide written authorization to the qualified custodian permitting JWMCI's fees to be paid directly from the client's account. When fees are deducted from an account, JWMCI will send a statement to the client showing the amount of the fee, the value of the client's assets upon which the fee

is based on the hourly rate and number of hours of service provided, and the specific manner in which the fee is calculated. The ability to deduct fees from client accounts is considered custody. JWMCI's custody policy and procedures is described at Item 15 of this Disclosure Brochure.

Either party may terminate the agreement for services at any time. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and no fees shall be due. If services are terminated after the initial five (5) day period, the final fee payment will be prorated based on the number of days service is provided during the final period with the date of termination used to calculate the final fee payment.

Consulting Services (Including Financial Planning Services).

JWMCI also provides Consulting Services which may address any specific financial issue(s) that the client desires to address or it could be considered Financial Planning Services that may be construed as a more comprehensive review to develop a written financial plan and recommendations.

If you decide to sign-up for the more comprehensive Financial Planning Services, JWMCI will take into consideration your individual needs and circumstances. Topics covered under financial planning services may include, but are not necessarily limited to, Retirement Planning, Estate Planning, Insurance Analysis and Review, Debt Review and Counseling, and Qualified/Non-Qualified Pension Plan Design.

All consulting services, including financial planning services, are based on your financial situation at the time and are based on financial information you provide to JWMCI. Clients are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. JWMCI does not guarantee or promise that its clients' financial goals and objectives will be met. Further, you must continue to review any plan and update the plan based upon changes in your situation, goals, objectives, or changes in the economy. When your financial situation or investment goals or objectives change, you must notify JWMCI promptly.

For client review and/or updates from prior plans, normal hourly fees will be applicable. Fees for all advisory services may be charged on an hourly rate as shown below. Clients are also responsible for applicable out of pocket expenses which shall be fully disclosed and described to clients and noted on the invoice.

Hourly fees range up to \$300. Fees are due upon completion of services and payable upon receipt of a billing invoice delivered from JWMCI.

A fixed fee option (FFO) may be offered in lieu of an hourly fee arrangement. Fixed fees typically range from \$1,500 to \$5,000, based upon the complexity of the issues involved and is based on an estimate of the number of hours to complete the project. This FFO will be arranged and agreed upon prior to work being started. Fixed fees are due upon completion of services rendered and payable upon receipt of an invoice delivered from JWMCI.

JWMCI may require an initial retainer of up to 50% of the estimated hourly fee or fixed fee. Under these situations, the initial retainer fee will be prior to commencement of the consulting or financial planning services with the remainder due upon completion of services and presentment of a billing invoice.

You have the option to implement financial planning recommendations through any insurance agent, broker or dealer, investment advisor, or other financial professional. Or you may choose not to implement any recommendations provided by JWMCI. You are not required to implement financial planning

recommendations through JWMCI. In the event you would like to implement financial planning services through JWMCI's Asset Management Program or through Mr. Jaffe in his separate capacity as an insurance agent, additional fees or commissions will be earned. At the sole discretion of Mr. Jaffe, clients may be offered the option to reduce financial planning fees, on a dollar for dollar basis up to, but not exceeding, any commissions that may be earned in the separate capacity as an insurance agent, or any management fees earned from the implementation of financial planning recommendations.

JWMCI's financial planning services may be cancelled at any time by written notice. In the event services are terminated within 5 business days after execution of JWMCI's financial planning agreement, such services shall be terminated without penalty (no fees due and/or full refund of any pre-paid fees). After the initial five day period, clients are charged for JWMCI's time spent and expenses incurred prior to receipt of termination.

JWMCI may provide seminars/workshops covering, but not limited to, financial planning, general educational topics on finance issues, and investment topics. Fees may be charged up to \$100 per person. Refunds will be given to any registrant if notice is given to JWMCI at least 3 days prior to the event. A flat, fixed fee may be offered as a business or group rate.

General Disclosure Regarding Fees and Services.

Brokerage commissions and/or transaction ticket fees charged by a qualified custodian and/or broker/dealer will be billed directly to the client.

Neither JWMCI, nor Edwin Jaffe, will receive any portion of such commissions or fees from any custodian, broker/dealer or client. In addition, you may incur certain charges imposed by third parties other than JWMCI in connection with investments made by JWMCI through your account, including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Management fees charged by JWMCI are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. A description of these fees and expenses are available in each investment company security's prospectus.

In the event Mr. Jaffe assists in the purchase of insurance products, in his capacity as an insurance agent, he will earn insurance commissions. This poses a conflict between his interests and your interests because he may be more focused on the commissions than whether the product is most beneficial for you. Mr. Jaffe attempts to control for this conflict by recommending insurance products based on the individual needs of clients first and then considering any commissions he may earn for selling the insurance product(s).

Lower fees for comparable services may be available from other sources.

Clients are advised that the investment recommendations and advice offered by JWMCI does not constitute legal or accounting advice. Therefore, you should coordinate and discuss the impact of financial advice with your attorney and/or accountant. Clients are advised that it is necessary to inform JWMCI promptly with respect to any material changes in their financial situation, investment goals and objectives. Failure to notify JWMCI of any such changes could result in investment recommendations not meeting the needs of the client.

Item 6 – Performance-Based Fees and Side-By-Side Management

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because JWMCI **does not charge or accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

JWMCI offers advisory services to individuals, trusts, estates, pension, profit sharing and other retirement plans and small businesses.

Minimum Investment Amounts Required

JWMCI requires a minimum investment amount of \$100,000 for asset management and review services. Accounts may be aggregated to meet the minimum and exceptions may be granted to the minimums at JWMCI's sole discretion.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis in Formulating Investment Advice

Cyclical - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle.

If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental - Fundamental analysis is a method of evaluating a company or security by attempting to measure its intrinsic value. In other words, trying to determine its true value by looking at all aspects of the business, including both tangible factors (e.g., machinery buildings, land, etc.) and intangible factors (e.g., patents, trademarks, "brand" names, etc.). Fundamental analysis also involves examining related economic factors (e.g., overall economy and industry conditions, etc.), financial factors (e.g., company debt, interest rates, management salaries and bonuses, etc.), qualitative factors (e.g., management expertise, industry cycles, labor relations, etc.), and quantitative factors (e.g., debt-to-equity and price-to-equity ratios).

The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical - This method of evaluating securities analyzes statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

Charting - The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all since it relies on proper interpretation of candlesticks and chart patterns. The risk of reliance upon candlestick data is that the next day's data can always negate the conclusions reached from prior days' candlesticks. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Given the risks inherent in each method of analysis, JWMCI seeks to employ most of these analyses simultaneously. Risk is minimized when one is able to draw the same conclusion from multiple methods of analysis.

Investment Strategies when Managing Client Assets and/or Providing Investment Advice

- Long term purchases - Investments held at least a year.
- Short term purchases - Investments sold within a year.
- Trading - Investments sold within 30 days.

- **Short sales.** A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.
- **Margin transactions.** When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock for JWMCI.
- **Option writing** including covered options, uncovered options, or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, JWMCI is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- **Market Risk** – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk**. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk**. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending

power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When JWMCI invests in an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with JWMCI varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Margin Risk - When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker/dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker/dealer of your account. The securities purchased in such an account are the broker/dealer's collateral for its loan to you.

If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any Margin Account that may be established as a part of our Investment Management Services and held by your broker/dealer. These risks include the following:

- You can lose more funds than you deposit in your margin account.
- The broker/dealer can force the sale of securities or other assets in your account.
- The broker/dealer can sell your securities or other assets without contacting you.
- You are not entitled to choose which securities or other assets in your margin account that may be liquidated or sold to meet a margin call.
- The broker/dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
- The broker/dealer can increase its "house" maintenance margin requirements at any time and are not required to provide you advance written notice.
- You are not entitled to an extension of time on a margin call.

Item 9 – Disciplinary Information

Following an investigation by the Financial Industry Regulatory Authority (FINRA) in 2005, JWMCI's President, Edwin Jaffe, consented to an Acceptance, Waiver & Consent (AWC) which alleged that Mr. Jaffe violated FINRA member rules 2110 and 3040 in that Mr. Jaffe participated in private securities

transactions without providing written notice to his FINRA member broker/dealer firm. Mr. Jaffe maintains that there was full knowledge and approval of the broker/dealer, FSC Securities Inc., for all activities and that he proceeded in the manner in which the broker/dealer had instructed, firmly believing that all applicable rules were being adhered to. Without admitting or denying the allegations, Mr. Jaffe consented to the AWC as a business decision in order to avoid the very high financial cost of defending the allegations. Mr. Jaffe fulfilled the terms of the AWC by paying a \$20,000 fine and serving a nine-month suspension, which was completed on May 20, 2007. Immediately upon completion of the AWC, FINRA reinstated his licenses; however, Mr. Jaffe did not conduct further business through a FINRA-member firm. Mr. Jaffe has continued to conduct advisory business through JWMCI and insurance business through Jaffe Financial Services without interruption.

On August 11, 2009 through August 11, 2010, Mr. Jaffe's right to use the CFP® designation was suspended by the Certified Financial Planner Board of Standards due to the regulatory suspension. At the end of the suspension, his designation was immediately reinstated as a CFP® certificant in good standing.

Item 10 – Other Financial Industry Activities and Affiliations

JWMCI is an independent investment advisory firm and only provides investment advisory services. The firm is not engaged in any other business activities and offers no other services than those described in this Disclosure Brochure.

JWMCI **is not** and **does not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) futures commission merchant, commodity pool operator, or commodity trading advisor, (4) banking or thrift institution, (5) accountant or accounting firm, (6) lawyer or law firm, (7) pension consultant, (8) real estate broker or dealer, or (9) sponsor or syndicator of limited partnerships.

While JWMCI's only business activity is providing investment advice, Mr. Jaffe is separately licensed as an independent insurance agent, doing business under the name Jaffe Financial Services, for various insurance companies and through various agencies. In this separate capacity; he is able to implement insurance transactions of advisory clients for compensation in addition to investment advisory fees charged by JWMCI. Clients that choose to purchase insurance products through Mr. Jaffe individually should be aware that he will generally only recommend insurance products of those companies for whom he is a sales agent and with which he is familiar with the benefits, exclusions and other terms. Mr. Jaffe spends approximately 25% of his time offering insurance products.

Mr. Jaffe is also engaged in outside activities involving family investments, including real estate. He spends less than 10% of his time in such activities and these activities will have no material impact on your arrangement with JWMCI.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

JWMCI has established a Code of Ethics that will apply to all of its associated persons. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. JWMCI has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for our Code of Ethics which also covers our

Insider Trading and Personal Securities Transactions Policies and Procedures. JWMCI has the responsibility to make sure that the interests of all clients are placed ahead of JWMCI's and Edwin Jaffe's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. JWMCI and Edwin Jaffe will conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This section is intended to provide clients with a summary of JWMCI's Code of Ethics. Clients may receive a complete copy of the Code of Ethics upon request.

Affiliate and Employee Personal Securities Transactions Disclosure

You should know that Mr. Jaffe will buy or sell securities that are also recommended to clients (including you). In order to minimize this conflict of interest, securities that he recommends and purchases for clients are generally widely held and publicly traded. In addition, in accordance with his fiduciary duty to clients, he always places client interests ahead of his own investment interests. He will not purchase or sell any security immediately prior to a transaction being implemented for an advisory account, preventing JWMCI from benefiting from client transactions.

Item 12 – Brokerage Practices

Clients contracting for JWMCI's asset management services are free to select any broker/dealer, mutual fund company, or variable annuity sponsor to serve as client's qualified custodian. When a client directs the use of a particular broker/dealer or other qualified custodian, JWMCI may not be able to obtain the best prices and execution for the transaction. Clients who direct the use of a particular broker/dealer or qualified custodian may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker/dealer or qualified custodian. Further, directed trades may be placed by JWMCI after effecting non-directed trades.

When a client does not have an established relationship with a broker/dealer, JWMCI will recommend specific broker/dealers or custodians depending on the client's needs and circumstances. JWMCI will recommend either Charles Schwab & Company, Inc. (Schwab) or Silver Oak Securities, Inc. (Silver Oak). For clients that elect to open an account through Silver Oak, Silver Oak shall act as the broker/dealer of record for accounts that will be held directly with the product sponsor, such as a mutual fund company or insurance company. JWMCI is independently owned and operated and not affiliated with Schwab or Silver Oak.

While JWMCI is not affiliated with Silver Oak, Mr. Jaffe's wife, Bridget Jaffe is a securities agent of Silver Oak. The recommendation to use Silver Oak, as well as Schwab, are also based on past experiences, minimizing commissions and other costs as well as offerings or services the broker/dealer provides that JWMCI or client may require or find valuable such as online access and other factors outlined below in Item 14 of this Disclosure Brochure.

Clients may pay commissions higher than those obtainable from other broker/dealers. Commission and fee structures of various broker/dealers are periodically reviewed to ensure clients are receiving best execution. Any broker/dealers with excessive fees and commissions are not recommended. Accordingly, while JWMCI will consider competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Therefore, the overall services provided by the broker/dealer are evaluated to determine best execution.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Because Consulting Services, including Financial Planning Services, are provided on a one-time or as-needed basis, on-going reviews are not provided unless requested by a client. However, JWMCI recommends clients have their financial situation reviewed at least annually.

Managed accounts are reviewed on a quarterly basis. However, the underlying investments are reviewed on a monthly or more frequent basis, often daily. The calendar is the main triggering factor for reviewing client accounts, although more frequent reviews may also be triggered by changes in client circumstances, client request, or unusual market activity. Edwin Jaffe is responsible for providing all investment advisory services, including all updates and reviews.

Statements and Reports

JWMCI provides performance and position reports for clients with managed accounts on an as-needed or when-requested basis. In addition, clients will receive statements at least quarterly from the qualified custodian(s) at which their accounts are maintained.

Clients are encouraged to always compare reports provided by JWMCI against the accounts statements delivered from the broker/dealers or qualified custodians.

Item 14 – Client Referrals and Other Compensation

Client Referrals

JWMCI does not directly or indirectly compensate anybody for client referrals; however, they are greatly appreciated.

Material Arrangement with Silver Oak Securities and Bridget Jaffe

As previously stated above in Item 12, Edwin Jaffe's wife, Bridget Jaffe, is a securities agent with Silver Oak. When clients are referred to Silver Oak, Mrs. Jaffe may serve as the securities agent on the client's account held at Silver Oak. Although neither JWMCI nor Edwin Jaffe receives any portion of the commissions or fees earned by Silver Oak, Mrs. Jaffe will earn and receive typical commission receipts in her capacity as a securities agent. Bridget's affiliation with Silver Oak is a key factor in the recommendation of Silver Oak and therefore may pose a potential conflict of interest between the interests of JWMCI and its clients.

Bridget's clients may also be referred to JWMCI. In these cases, JWMCI may provide investment advice for a fee on assets held by a client for whom Bridget has previously earned a commission, such as mutual fund purchases and variable annuity purchases. To control for the obvious conflict of interest, JWMCI shall implement a minimum holding period in which the firm will waive or reduce its advisory fee for a portion of time, typically 12 to 24 months.

Arrangement with Charles Schwab

Although Schwab does not provide client referrals to JWMCI and the firm has not entered into a written soft-dollar arrangement with Schwab, Schwab provides JWMCI with access to their institutional trading and custody services, which are typically not available to retail investors. Schwab's services include brokerage, 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 JWMCI's clients' accounts maintained in their custody, recommended broker/dealers do not charge separately for custody but are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the recommended broker/dealer or that settle into recommended broker/dealer accounts.

Schwab also makes available to JWMCI other products and services that benefit JWMCI but may not benefit its clients' accounts. Some of these other products and services assist JWMCI in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of JWMCI's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of JWMCI's accounts, including accounts not maintained at Schwab. Schwab also makes available to JWMCI other services intended to help JWMCI manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to JWMCI by independent third party providing these services to JWMCI. While as a fiduciary, JWMCI endeavors to act in its clients' best interests. JWMCI's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to JWMCI of the availability of some of the foregoing products and services 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.

Insurance Sales

As disclosed in Item 5, Mr. Jaffe may receive commissions and other incentive awards for the recommendation/sale of insurance products, such as Life Insurance, Annuities, Health & Disability Insurance, and Long-Term Care Insurance, in his individual capacity as an independent insurance agent, in connection with providing investment advice to clients. Mr. Jaffe conducts his insurance business under the name of Jaffe Financial Services. The receipt of this compensation may affect his judgment when recommending insurance products to clients. While he endeavors at all time to put the interest of clients first as a part of JWMCI's fiduciary duty, you should be aware that the receipt of commission and additional compensation itself creates a conflict of interest, and may affect his judgment when making recommendations. Mr. Jaffe attempts to control for this conflict by recommending insurance products based on the individual needs of clients first and then considering any commissions he may earn for selling the insurance policy. JWMCI will not charge an asset based fee for managing insurance products in which Mr. Jaffe earned a commission at the time of purchase.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

JWMCI is deemed to have custody of client funds and securities whenever JWMCI is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody JWMCI will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody

- For accounts in which JWMCI is deemed to have custody, JWMCI has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name.
- Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained.
- Finally, account statements are delivered directly from the qualified custodians to each client, or the client's independent representative, at least quarterly. **Clients should carefully review those statements and are urged to compare the statements against reports received from JWMCI.** When clients have questions about their account statements, they should contact JWMCI or the qualified custodian preparing the statement.

Whenever JWMCI deducts advisory fees from client accounts, JWMCI will at the same time send an invoice to the client informing the client that fees are being deducted from the account. The fee invoice will provide an itemization of the fee including the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee. These fees are typically calculated 15-45 days after the end of a calendar quarter.

Item 16 – Investment Discretion

Through its Asset Management & Review Services and upon receiving written authorization from a client, JWMCI will maintain trading authorization over client accounts. Upon receiving written authorization from the client, JWMCI may implement trades on a **discretionary** basis. When discretionary authority is granted, JWMCI will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction. However, it is the policy of JWMCI to consult with the client prior to making significant changes in the account even when discretionary trading authority is granted by the client.

If you decide to grant trading authorization on a **non-discretionary** basis, Mr. Jaffe will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject any investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, JWMCI will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to my request, it can have an adverse impact on the timing of trade implementations and JWMCI may not achieve the optimal trading price.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to my firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

JWMCI **will not** vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, JWMCI has determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by JWMCI.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by JWMCI. Although JWMCI does not vote client proxies, if you have a question about a particular proxy feel free to contact us.

Item 18 – Financial Information

JWMCI does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, JWMCI is not required to include a balance sheet for its most recent fiscal year.

Upon advice of counsel, in May 2007, Mr. Jaffe filed for personal bankruptcy protection in order to settle personal and private business legal matters. These matters did not involve JWMCI. The case was discharged on April 2, 2008. While disclosed herein, JWMCI believes that these events had no effect on client accounts, nor will they have any material impact on the firm's ability to serve clients in the future.

Item 19 – Requirements for State-Registered Advisers

Executive Officer and Management Personnel

Edwin Jaffe is the sole employee, officer and management person for JWMCI. Please see the next section, for details regarding Mr. Jaffe's education and business background.

Other Business Activities

JWMCI is an independent investment advisory firm and only provides investment advisory services. The firm is not engaged in any other business activities and offers no other services than those described in this Disclosure Brochure. Please refer to Item 10 of this Disclosure Brochure for details.

No Performance Based Fees

As previously disclosed in Item 6, the Firm does not charge performance based fees.

Arbitrations

JWMCI and Mr. Jaffe have not been involved in an arbitration claim alleging damages in excess of \$2,500 resulting in an award or otherwise being found liable. They have not been involved in a civil, self-regulatory organization, or administrative proceeding resulting in an award or otherwise being found liable. Please refer to Item 9 of this Disclosure Brochure for additional information.

Issuer of Securities

JWMCI does not have relationships with any issuer of securities. Please refer to Item 12 of this Disclosure Brochure for information regarding our brokerage arrangements.

Information Required by Part 2B of Form ADV: Brochure Supplement

The following are responses to each item found in the Form ADV Part 2B instructions.

Item 1 – Cover Page

This brochure supplement provides information about Edwin Jaffe that supplements the information previously provided in this brochure. Please contact Mr. Jaffe if you have any questions about the contents of this supplement. Additional information about Edwin Jaffe is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience for Edwin Jaffe

Born: February 7, 1960.

Education Background:

- Arkansas State University, Jonesboro, AR, 1978 – 1981, BS Degree in Business Admin.
- College for Financial Planning – Denver, CO, 1987 – 1990, obtained the CERTIFIED FINANCIAL PLANNER™ practitioner designation in 1990.

Business Background for Preceding Five Years:

- Jaffe Wealth Management & Consulting, Inc. (JWMCI), President/Chief Compliance Officer/Advisory Representative – 4/2008 to Present
- Jaffe Financial Services, Sole Proprietor/Independent Insurance Agent – 11/1989 to Present;
- Jaffe & Associates Advisory Group, Inc., President/Chief Compliance Officer/ Advisory Representative – 09/2001 to 4/2008 (d/b/a Jaffe Wealth Management & Consulting and was the predecessor to JWMCI); President until company terminated charter effective 11/18/2008.
- Jaffe Financial Services, Inc., President – 06/2001 to 11/2007;
- Silver Oak Securities (f/k/a William E. Hopkins and Associates), Financial Advisor / Investment Representative – 03/2005 to 08/2006;
- FSC Securities Corporation, Financial Advisory/ Investment Representative – 02/1994 to 03/2005;
- Jaffe Auerbach Advisory Group, LLC, Chairman/Advisory Representative – 05/1995 to 06/2001;
- Other Various Industry Positions from 04/1983 to 02/1994 including Securities Operations and Management, Securities Representative, Investment Advisor Representative, and Insurance Agent.

Mr. Jaffe is currently a CERTIFIED FINANCIAL PLANNER™ certificant or CFP® certificant and according to CFP® Rules of Conduct, he must provide clients with the contact information, information about the services he provides, any conflicts of interest that may be related to the provision of services, and the costs to clients associated with the services being provided. These important disclosures are contained in this Disclosure Brochure. Descriptions of the specific advisory and investment management services provided to each client are contained in each client's agreement.

Mr. Jaffe acknowledges his responsibility as a CFP® certificant to adhere to the standards that have been established in the CFP® Board's Standards of Professional Conduct. If you believe that Mr. Jaffe's conduct may violate the Standards of Professional Conduct, you can file a complaint with the CFP®

Board at www.CFP.net/complaint. Please let Mr. Jaffe know if you have any questions regarding the CFP® certificate or these disclosures.

In order to become certified, a person is required to meet the initial requirements of: 1) Education, 2) Examination, 3) Experience, and 4) Ethics.

- Education - To take the CFP® Certification Examination, the candidate will need to be knowledgeable in all of areas covered by the financial planning topic list. There are three ways to complete the educational requirement: CFP Board-Registered Programs, Challenge Status or Transcript Review. Candidates for certification must have a bachelor's degree (or higher), or its equivalent, in any discipline, from an accredited college or university in order to obtain CFP® certification. The bachelor's degree requirement is a condition of initial certification; it is not a requirement to be eligible to take the CFP® Certification Examination and does not have to occur before sitting for the exam.
- Examination - After the candidate has successfully met the education requirement, they will be eligible to apply for the CFP® Certification Examination. The CFP® Certification Examination assesses the candidate's ability to apply their financial planning knowledge (based on the topic list), in an integrated format, to financial planning situations. Combined with the education and experience requirements, it assures the public that the candidate has met a level of competency appropriate for professional practice.
- Experience - Because CFP® certification indicates to the public the ability to provide financial planning without supervision, CFP Board requires candidates to have experience in the financial planning process. Three years of full-time relevant personal financial planning experience is required.
- Ethics - When the candidate has completed the education, examination and experience components of the CFP® certification process, they will be directed to complete the CFP® Certification Application asking you to disclose whether you have been a party (or involved) in any criminal, civil, governmental, or self-regulatory agency proceeding or inquiry. CFP® certification also requires you to agree to adhere to CFP Board's Code of Ethics and Professional Responsibility, Rules of Conduct and Financial Planning Practice Standards, and acknowledge CFP Board's right to enforce them through its Disciplinary Rules and Procedures.

Once certified and authorized to use the CFP® marks, the certificant must renew their certification every two years. In addition to the renewal fee, the certificant must complete 30 hours of continuing education (CE), of which 2 hours must be in ethics.

Item 3 – Disciplinary Information

Please see Item 9 – Disciplinary Information of this Disclosure Brochure for details regarding prior disciplinary information.

Item 4 – Other Business Activities

While JWMCI's only business activity is providing investment advice and consulting on financial matters, Mr. Jaffe is separately licensed as an independent insurance agent, doing business under the name Jaffe Financial Services, for various insurance companies and through various agencies. In this separate capacity; Mr. Jaffe is able to implement insurance transactions of advisory clients for compensation in addition to investment advisory fees charged by JWMCI. Clients should be aware Mr. Jaffe will generally only recommend insurance products of those companies for whom Mr. Jaffe is a sales agent and with

which he is familiar with the benefits, exclusions and other terms. Mr. Jaffe spends approximately 25% of his time offering insurance products.

Mr. Jaffe is also engaged in outside activities involving real estate and family investments. He spends less than 10% of his time in such activities.

Item 5 – Additional Compensation

Other than receipt of advisory fees and profits as owner of the firm, Mr. Jaffe receives no other compensation related to the advisory business.

Item 6 – Supervision

Mr. Jaffe is the sole affiliate of the investment advisor firm (JWMCI) and ultimately responsible for all activities and services provided by the firm.

Item 7 – Requirements for State-Registered Advisers

Mr. Jaffe has not been involved in an arbitration claim alleging damages in excess of \$2,500 resulting in an award or otherwise being found liable. Mr. Jaffe has not been involved in a civil, self-regulatory organization, or administrative proceeding resulting in an award or otherwise being found liable. Please refer to Item 9 of this Disclosure Brochure for additional information.

Mr. Jaffe filed for personal bankruptcy protection on May 7, 2007 based on advice of counsel regarding the high legal costs associated with the defense of an outside business activity matter with his half-sister. The bankruptcy was discharged on April 2, 2008 and Mr. Jaffe has no similar proceedings since.

Customer Privacy Policy

Maintaining the trust and confidence of our clients is a high priority. That is why we want you to understand how we protect your privacy when we collect and use information about you, and the steps that we take to safeguard that information. This notice is provided to you on behalf of Jaffe Wealth Management & Consulting, Inc.

Information We Collect:

In connection with providing investment products, financial advice, or other services, we obtain non-public personal information about you, including:

- Information we receive from you on account applications;
- Information received from credit or service bureaus or other third parties; and
- Information about your transactions with others, including your financial advisor or us.

Information We Disclose:

Unless expressly permitted by you, we will not disclose information regarding you or your account with us, except under the following circumstances:

- To your authorized financial advisor and his or her manager;
- To establish or maintain an account with an unaffiliated third party, such as a clearing broker providing services to you; and
- To government entities or other third parties in response to subpoenas or other legal process as required by law.

Our Security Policy:

Only Edwin Jaffe will have access to confidential client information. The firm maintains physical, electronic, and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.

Closed or Inactive Accounts:

If you decide to close your account(s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

Complaint Notification:

Please direct complaints to: Jaffe Wealth Management & Consulting, Inc., 6465 N. Quail Hollow Rd. Suite 260, Memphis, TN 38120, 901-753-3886.

Changes to This Privacy Policy:

If we make any substantial changes in the way we use or disseminate confidential information, we will notify you.

If you have any questions concerning this Privacy Policy, please write to us at: 6465 N. Quail Hollow Rd. Suite 260, Memphis, TN 38120, 901-753-3886.