

Dew Wealth Management

ADV Part 2A, Firm Brochure **Dated: June 16, 2016**

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This brochure provides information about the qualifications and business practices of Dew Wealth Management. If you have any questions about the contents of this brochure, please contact us at (480) 614-9119 or Jim@dewwealth.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Dew Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Dew Wealth Management as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

On June 16, 2016, Dew Wealth Management filed for registration with the Securities and Exchange Commission.

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Item 4 Advisory Business

- A. Dew Wealth Management (the “Registrant”) is a limited liability company formed on July 23, 1999 in the state of Arizona. The Registrant became registered as an Investment Adviser Firm in November 1999. The Registrant is owned by James P. Dew. Mr. Dew is the Registrant’s Principal.
- B. As discussed below, the Registrant offers to its clients (individuals, business entities, etc.) investment advisory services, and, to the extent specifically requested by a client, financial planning and related consulting services.

INVESTMENT ADVISORY SERVICES

The client can determine to engage the Registrant to provide non-discretionary investment advisory services on a *fee* basis.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Registrant’s planning and consulting fees are negotiable, but generally range from \$1,000 to \$3,500 on a fixed fee basis, and from \$300 to \$500 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging the Registrant to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes, including the Registrant’s Principal in his individual capacity as a licensed insurance agent. (*See* disclosure at Item 10.C). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client’s responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant’s previous recommendations and/or services.

RETIREMENT CONSULTING

The Registrant also provides non-discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, the Registrant shall also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Consulting Agreement* between the Registrant and the plan sponsor.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent requested by the client, the Registrant *may* provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither the Registrant, nor any of its representatives, serves as an attorney or accountant, and no portion of the Registrant's services should be construed as same. To the extent requested by a client, the Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including the Principal of the Registrant in his separate licensed capacities as discussed below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Independent Managers. For those clients that require an enhanced and/or specialized level of investment management services, Registrant may also recommend that certain clients authorize the Registrant to allocate, on a non-discretionary basis, the active discretionary management of a portion of their assets by and/or among certain independent investment manager[s] to be selected by the Registrant (the "*Independent Manager[s]*"), based upon the stated investment objectives of the client. The Registrant shall continue to render ongoing and continuous advisory services to the client relative to the monitoring and review of account performance, client investment objectives, and asset allocation, for which Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager[s]*. Factors which the Registrant shall consider in recommending *Independent Manager[s]* include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The Registrant generally has the authority to determine the broker-dealer/custodian to be used by the designated *Independent Manager[s]* relative to those accounts for which the *Independent Manager[s]* provide discretionary investment management services for Registrant's clients. The investment management fees charged by the designated *Independent Manager[s]*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee. As disclosed in Item 10.D below, the Registrant does not receive, directly or indirectly, compensation from *Investment Manager(s)* it selects or recommends to its clients. Fees charged by Registrant pursuant to the use of *Independent Manager[s]* may be either in advance or arrears depending

upon the specific *Independent Manager* relationship, and will be disclosed to the client at the point of entering into the advisory relationship.

As part of its *Independent Manager[s]* recommendations, the Registrant may also recommend that clients participate in the Equis Capital Advisor Wrap Program sponsored by Equis Capital Management (“*Equis*”), the terms and conditions of which participation shall be set forth in the wrap program brochure prepared by *Equis*.

Please Note: Non-Discretionary Service Limitations. Clients that determine to engage Registrant on a non-discretionary investment advisory basis **must be willing to accept** that Registrant cannot effect any account transactions without obtaining prior consent to any such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client’s account (including an individual holding or in the event of general market correction), and the client is unavailable, Registrant will be unable to effect the account transaction(s) (as it would for its discretionary clients) **without first obtaining the client’s consent.**

Unaffiliated Wrap Programs. The Registrant does not manage or sponsor a wrap fee program. However, in the event that Registrant is engaged to provide investment management services as part of an unaffiliated wrap-fee program, Registrant will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event that Registrant is engaged to provide investment management services as part of an unaffiliated managed account program, Registrant will likewise be unable to negotiate commissions and/or transaction costs. If the program is offered on a non-wrap basis, the program sponsor will determine the broker-dealer through which transactions must be effected, and the amount of transaction fees and/or commissions to be charged to the participant investor accounts.

Retirement Plan Rollovers-No Obligation/Conflict of Interest. A client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in his/her former employer’s plan, if permitted, (ii) roll over the assets to his/her new employer’s plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account (“IRA”), or (iv) cash out the account value (which could, depending upon the client’s age, result in adverse tax consequences). The Registrant may recommend an investor roll over plan assets to an IRA managed by the Registrant. As a result the Registrant and its representatives may earn an asset-based fee (see **Please Note** below). In contrast, a recommendation that a client or prospective client leave his or her plan assets with his/her former employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to the Registrant (unless clients engage the Registrant to monitor and/or manage the account while maintained at his/her employer). The Registrant has an economic incentive to encourage a client to roll plan assets into an IRA that the Registrant will manage **or** to engage the Registrant to monitor and/or manage the account while maintained at the client’s employer. There are various factors that the Registrant may consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan’s investment

professionals versus the Registrant's, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. **No client is under any obligation to roll over plan assets to an IRA managed by the Registrant or to engage the Registrant to monitor and/or manage the account while maintained at the client's employer. Please Note:** If Registrant's engagement will include the management of the client's retirement account per the same fee schedule set forth in Item 5 below, regardless of custodian or the client's decision to process a rollover, the above economic incentive to recommend a rollover is generally not present. **The Registrant's Chief Compliance Officer, James Dew, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from the Registrant's trade errors, but shall not credit accounts for such errors resulting in market gains, unless it is the policy of the respective custodian/broker-dealer. Where permitted by the custodian/broker-dealer, the gains and losses are reconciled within the Registrant's custodian firm account and Registrant retains the net gains and losses. Certain custodians/broker-dealers that the Registrant has relationship with may net trade gains with losses and donate any proceeds to charity.

Client Obligations. In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Disclosure Statement. A copy of the Registrant's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement or Financial Planning and Consulting Agreement*.

- C. The Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, the Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on the Registrant's services.
- D. The Registrant does not manage or sponsor a Wrap Fee Program.
- E. As of March 31, 2016, the Registrant had \$105,957,979 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide non-discretionary investment advisory services on a *fee* basis.

INVESTMENT ADVISORY SERVICES

A client may engage the Registrant to provide non-discretionary investment advisory services on a *fee* basis. For clients who place more than \$500,000 under the Registrant's management as part of their initial engagement, they will be subject to a 1.00% annual asset-based fee. For clients initially placing less than \$500,000 under the Registrant's management, they will be subject to a management fee equal to 1.35% on the first \$500,000 in assets under management and 1.00% on any assets in excess of \$500,000. The Registrant reserves the right to reduce or waive the additional 0.35% asset management fee in its sole discretion. **Please Note:** To the extent that a client's investment portfolio utilizes an *Independent Manager*, as discussed in Item 4 above, and the *Independent Manager* charges fees in addition to the Registrant's investment management fee, the client shall incur additional management fees as detailed in materials provided by the particular *Independent Manager* prior to engaging the *Independent Manager*'s services. **Please Also Note:** Lower fees for comparable services may be available from other sources.

As disclosed in Item 10.D below, the Registrant does not receive, directly or indirectly, compensation from *Investment Manager(s)* it selects or recommends to its clients, except as set forth in Item 12 below regarding the AssetMark Program.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, the Registrant *may* determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Registrant's planning and consulting fees are negotiable, but generally range from \$1,000 to \$3,500 on a fixed fee basis, and from \$300 to \$500 on an hourly rate basis, depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s).

Clients who engage the Registrant to provide financial planning and consulting services on a fixed fee basis will be required to pay a portion of the fixed fee in advance (typically one quarter of the agreed upon fee). Generally, the balance of the Registrant's fixed fee shall be due in quarterly payments at the end of each successive quarter.

Clients who engage the Registrant to provide financial planning and consulting services on an hourly rate basis shall typically receive a monthly invoice detailing the planning and consulting services providing during the previous month and the hourly fees incurred for those services.

RETIREMENT CONSULTING

The Registrant also provides non-discretionary pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. The Registrant generally charges an annual fee between negotiable and .75% of plan assets depending on the services requested and the size of the plan for Retirement Consulting Services.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant generally deducts fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant shall generally recommend that TD Ameritrade ("*Ameritrade*"), Fidelity Investments ("*Fidelity*"), AssetMark, Inc. ("*AssetMark*") and/or FolioFN ("*FolioFN*") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as *Ameritrade*, *Fidelity*, *AssetMark* and *FolioFN* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment management fee (charged in accordance with the above fee schedule), brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Registrant's annual investment advisory fee is generally prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Registrant requires an account minimum of \$350,000 for investment management services. Registrant, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its minimum asset level based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, the Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant's clients shall generally include individuals and business entities. Registrant requires an account minimum of \$350,000 for investment management services. Registrant, in its sole discretion, may charge a lesser investment management fee and/or reduce or waive its minimum asset level based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

Please Note: Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially

develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, the Registrant primarily allocates client investment assets among individual debt and equity securities (including private REIT products),, and among various no-load mutual funds through third-party money managers on a non-discretionary basis in accordance with the investment objectives of the client. Through applications with the designated broker-dealer, Registrant is frequently given discretionary privileges. However, such discretion is not exercised between Registrant and the client.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Insurance Agency and Licensed Insurance Agent.** The Registrant is licensed as an insurance agency. James P. Dew, in his individual capacity, is a licensed insurance agent, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage Mr. Dew to effect insurance transactions on a commission basis. In addition, one of the insurance brokerage firms through which Mr. Dew offers insurance-related products pays a media company to secure television placements for Mr. Dew. During these television placements, Mr. Dew provides general education about finance and related issues.

Conflict of Interest: The recommendation by James P. Dew that a client purchase an insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. Mr. Dew also has an incentive to recommend insurance commission products for the particular brokerage firm that pays a media company to secure television placements on his behalf, so that Mr. Dew may continue to benefit from that arrangement. No client is under any obligation to purchase any commission products from James. P. Dew. Clients are reminded that they may purchase insurance products recommended by Registrant through other, non-affiliated insurance agents. **The Registrant's Chief Compliance Officer, James P. Dew, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients. Prior to recommending any *Independent Manager* the Registrant shall ensure that the *Independent Manager* is properly state registered or notice-filed.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant *may* buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons". The Registrant's securities truncation policy requires that an Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects; provided, however that at any time that the Registrant has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. The Registrant and/or representatives of the Registrant *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment management accounts be maintained at *Ameritrade*, *Fidelity*, *AssetMark* and/or *FolioFN*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending *Ameritrade*, *Fidelity*, *AssetMark* and/or *FolioFN* (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. The Registrant's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. **ASSETMARK ADDITIONAL BENEFITS**

With respect to the AssetMark, the Registrant is entitled to receive a quarterly and/or one-time reimbursement from AssetMark, Inc, for qualified marketing and/or business development expenses incurred by Registrant. The amount of such reimbursement is based on the total assets invested at the end of each calendar quarter in the AssetMark Program, as follows:

Eligible Assets Under Management – Premier Consultant	1x Reimbursement evaluated quarterly
\$5MM within 12 months of first funding	\$2,000
\$5MM after 12 months of first funding	\$1,000
Eligible AUM - Gold and Platinum Premier Consultant	Quarterly Reimbursement
\$ 25MM	\$1250
\$ 35MM	\$1750
\$ 50MM	\$2500
\$ 75MM	\$3750
\$ 100MM	\$6250
\$ 125MM	\$8750
\$ 150MM	\$11250
\$ 175MM	\$13750
\$ 200MM	\$16250
\$ 225MM	\$18750
\$ 250MM	\$21250
\$ 275MM	\$23750
\$ 300MM	\$26250

This relationship presents a conflict of interest. The Registrant is incentivized to allocate initial and additional client assets to AssetMark since it receives additional benefits from AssetMark based on the amount of assets maintained with the AssetMark Program. Clients do not pay additional fees for participation in the AssetMark Program. The Registrant believes that the amounts it receives do not present any material conflict and continues to monitor the services provided by the AssetMark Program. **The Registrant’s Chief Compliance Officer, James P. Dew, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflict of interest this arrangement creates.**

Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from *Ameritrade*, *Fidelity*, *AssetMark* and/or *FolioFN* (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) without cost (and/or at a discount) support services and/or products, certain of which assist the Registrant to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the Registrant may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting

services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Registrant in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist the Registrant in managing and administering client accounts. Others do not directly provide such assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Ameritrade*, *Fidelity*, *AssetMark* and/or *FolioFN* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Ameritrade*, *Fidelity*, *AssetMark* and/or *FolioFN* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, James P. Dew, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. The Registrant does not receive referrals from broker-dealers.
3. The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance.

The Registrant's Chief Compliance Officer, James P. Dew, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. The Registrant does not combine or "bunch" orders to negotiate commission rates.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant may receive an indirect economic benefit from *Ameritrade*, *Fidelity*, *AssetMark* and/or *FolioFN*. The Registrant, without cost (and/or at a discount), may receive support services and/or products from *Ameritrade*, *Fidelity*, *AssetMark* and/or *FolioFN*.

Registrant's clients do not pay more for investment transactions effected and/or assets maintained at *Ameritrade*, *Fidelity*, *AssetMark* and/or *FolioFN* as a result of this arrangement. There is no corresponding commitment made by the Registrant to *Ameritrade*, *Fidelity*, *AssetMark* and/or *FolioFN* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

The Registrant's Chief Compliance Officer, James P. Dew, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. The Registrant does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 Investment Discretion

The Registrant does not manage client assets on a discretionary basis.

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant does not manage client assets on a discretionary basis.
- C. The Registrant has not been the subject of a bankruptcy petition.