

Sterling Wealth Management, LLC

Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Sterling Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (718) 677-6869 or by email at: elchanan@sterlingwm.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 Sterling Wealth Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Sterling Wealth Management, LLC's CRD number is: 114270

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Sterling Wealth Management, LLC has transitioned to SEC registration since the previous Annual ADV Amendment filed on January 3, 2012.

Item 3: Table of Contents

Item 1: Table of Contents	
Item 2: Material Changes.....	i
Item 3: Table of Contents.....	ii
Item 4: Advisory Business.....	1
A. Description of the Advisory Firm.....	1
B. Types of Advisory Services.....	1
Investment Supervisory Services.....	1
Financial Planning.....	1
Services Limited to Specific Types of Investments.....	2
C. Client Tailored Services and Client Imposed Restrictions.....	2
D. Wrap Fee Programs.....	2
E. Amounts Under Management.....	2
Item 5: Fees and Compensation.....	3
A. Fee Schedule.....	3
Investment Supervisory Services Fees.....	3
Financial Planning Fees.....	3
Hourly Fees.....	3
B. Payment of Fees.....	3
Payment of Investment Supervisory Fees.....	3
Payment of Financial Planning Fees.....	3
C. Clients Are Responsible For Third Party Fees.....	4
D. Prepayment of Fees.....	4
E. Outside Compensation For the Sale of Securities to Clients.....	4
Item 6: Performance-Based Fees and Side-By-Side Management.....	4
Item 7: Types of Clients.....	4
Minimum Account Size.....	4
Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss.....	5
A. Methods of Analysis and Investment Strategies.....	5
Methods of Analysis.....	5
Fundamental analysis.....	5
Investment Strategies.....	5
B. Material Risks Involved.....	5
Methods of Analysis.....	5
Fundamental analysis.....	5
Investment Strategies.....	5
C. Risks of Specific Securities Utilized.....	5
Item 9: Disciplinary Information.....	7

A.	Criminal or Civil Actions.....	7
B.	Administrative Proceedings.....	7
C.	Self-regulatory Organization (SRO) Proceedings	7
Item 10:	Other Financial Industry Activities and Affiliations.....	7
A.	Registration as a Broker/Dealer or Broker/Dealer Representative	7
B.	Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	7
C.	Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests.....	7
D.	Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections	7
Item 11:	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	8
A.	Code of Ethics	8
B.	Recommendations Involving Material Financial Interests	8
C.	Investing Personal Money in the Same Securities as Clients.....	8
D.	Trading Securities At/ Around the Same Time as Clients' Securities	8
Item 12:	Brokerage Practices	9
A.	Factors Used to Select Custodians and/or Broker/Dealers	9
1.	Research and Other Soft-Dollar Benefits	9
2.	Brokerage for Client Referrals.....	9
3.	Clients Directing Which Broker/Dealer/Custodian to Use.....	9
B.	Aggregating (Block) Trading for Multiple Client Accounts.....	9
Item 13:	Reviews of Accounts.....	10
A.	Frequency and Nature of Periodic Reviews and Who Makes Those Reviews.....	10
B.	Factors That Will Trigger a Non-Periodic Review of Client Accounts	10
C.	Content and Frequency of Regular Reports Provided to Clients.....	10
Item 14:	Client Referrals and Other Compensation	10
A.	Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes).....	10
B.	Compensation to Non – Advisory Personnel for Client Referrals.....	10
Item 15:	Custody	11
Item 16:	Investment Discretion.....	11
Item 17:	Voting Client Securities (Proxy Voting).....	11
Item 18:	Financial Information.....	11
A.	Balance Sheet.....	11
B.	Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients	11
C.	Bankruptcy Petitions in Previous Ten Years	11

Item 4: Advisory Business

A. Description of the Advisory Firm

Sterling Wealth Management, LLC is a Limited Liability Company organized in the state of New York.

This firm has been in business since April of 2002, and the principal owner is Elchanan Abramowitz.

B. Types of Advisory Services

Sterling Wealth Management, LLC (hereinafter "SWM") offers the following services to advisory clients:

Investment Supervisory Services

SWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SWM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- | | |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy |
| • Asset allocation | • Asset selection |
| • Risk tolerance | • Regular portfolio monitoring |

SWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on hourly fees and the final fee structure is documented in the Investment Advisory Agreement and Management Contract (IAAMC).

Services Limited to Specific Types of Investments

SWM generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, REITs, insurance products including annuities, private placements, and government securities. SWM may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

SWM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. SWM DOES NOT participate in any wrap fee programs.

E. Amounts Under Management

SWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$40,300,000.00	\$0.00	12/31/2012

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
\$1 - \$1,000,000	1.00%
\$ 1,000,001 to \$2,000,000	0.75%
\$2,000,001 to \$5,000,000	0.50%
\$5,000,001 and Above	0.40%

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is included in the IAAMC. Fees are paid quarterly in arrears, and clients may terminate their contracts with one day written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Financial Planning Fees

Hourly Fees

The hourly fee for these services is \$250. The fees are negotiable and the final fee schedule is included in the IAAMC. Fees are paid in arrears upon completion. Because fees are charged in arrears, no refund is necessary. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check in arrears upon completion. Because fees are charged in arrears, no refund is necessary.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SWM. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

SWM collects its fees in arrears. It does not collect fees in advance.

E. Outside Compensation For the Sale of Securities to Clients

Neither SWM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

SWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

SWM generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Trusts, Estates, or Charitable Organizations

Minimum Account Size

There is an account minimum, \$150,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

SWM's methods of analysis include fundamental analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Investment Strategies

SWM uses long term trading and short term trading strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

SWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

Mutual Funds: Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have costs that lower investment returns. They can be of bond "fixed income" nature (lower risk) or stock "equity" nature (mentioned above).

Equity investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

Treasury Inflation Protected/Inflation Linked Bonds: The Risk of default on these bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal.

Fixed Income is an investment that guarantees fixed periodic payments in the future that may involve economic risks such as inflationary risk, interest rate risk, default risk, repayment of principal risk, etc.

Debt securities carry risks such as the possibility of default on the principal, fluctuation in interest rates, and counterparties being unable to meet obligations.

Stocks & Exchange Traded Funds (ETF): Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

Real Estate funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds.

REITs have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares.

Private placements carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

Precious Metal ETFs (Gold, Silver, Palladium Bullion backed "electronic shares" not physical metal): Investing in precious metal ETFs carries the risk of capital loss.

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability and inflation.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither SWM nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SWM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither SWM nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

SWM does not utilize nor select other advisers or third party managers. All assets are managed by SWM management.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

SWM does not recommend that clients buy or sell any security in which a related person to SWM or SWM has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SWM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of SWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of SWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SWM will always transact client's transactions before its own when similar securities are being bought or sold.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian, Fidelity, was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. SWM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. *Research and Other Soft-Dollar Benefits*

SWM receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that SWM must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for SWM to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. SWM always acts in the best interest of the client.

2. *Brokerage for Client Referrals*

SWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

SWM recommends that clients use the custodian(broker/dealer) that it has a relationship with: Fidelity

B. Aggregating (Block) Trading for Multiple Client Accounts

SWM maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing SWM the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least monthly only by Elchanan Abramowitz, President. Elchanan Abramowitz is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at SWM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Elchanan Abramowitz, President. There is only one level of review and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least annually from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

SWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SWM clients.

B. Compensation to Non - Advisory Personnel for Client Referrals

SWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

SWM, with client written authority, has limited custody of client's assets through direct fee deduction of SWM's Fees only. If the client chooses to be billed directly by Fidelity, SWM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices from the custodian, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

For those client accounts where SWM provides ongoing supervision, the client has given SWM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides SWM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

SWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

SWM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SWM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

SWM has not been the subject of a bankruptcy petition in the last ten years.