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**March 29, 2012**

**Form ADV Part 2A  
Brochure**

**This Brochure provides information about the qualifications and business practices of Franklin, Turner & Welch LLC. If you have any questions about the contents of this Brochure, please contact us at (281) 599-3129 and/or [davidwelch@ftwllc.com](mailto:davidwelch@ftwllc.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 Franklin, Turner & Welch LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Franklin, Turner & Welch LLC is 114465.**

**Any references to Franklin, Turner & Welch LLC as a registered investment adviser or its related persons as registered Advisory Representatives does not imply a certain level of skill or training.**

## **MATERIAL CHANGES**

### **Item 2**

At least annually, this section will discuss only specific material changes that are made to the Franklin, Turner & Welch LLC Brochure and provide you with a summary of such changes. Additionally, reference to the date of the last annual update to this Brochure will be provided.

The changes made to our initial Brochure dated March 31, 2011 are as follows:

#### Item 4

- As of December 31, 2011, we have approximately \$186.8 million of discretionary client assets under our management and \$22.3 million of non-discretionary under our portfolio monitoring services. FTW manages accounts for approximately 124 client relationships.

#### Item 5

- FTW will not make fee adjustments for account appreciation or depreciation due to market fluctuations.
- FTW has entered into a relationship to offer you brokerage services through Fidelity Investments (Fidelity). If you authorize FTW to deduct your advisory fee directly from your account, Fidelity will provide you with a monthly statement that lists the total fees deducted from the account as well as all transactions that were conducted in the account that month.
- One half (50%) of the anticipated financial planning fee is payable at the time of execution of the Engagement Letter with the remaining fees due upon completion of the services requested.
- Your entire financial planning fee may be waived if you agree – prior to Plan development – to transfer assets into a Managed Account within a reasonable period following Plan completion.

#### Item 12

- FTW trades using “order blasting” or aggregating orders of one security for several accounts at once when a change is made to one or more of the securities in the Global Equities Program resulting in an average price/share for all accounts included in the trade.
- Aggregated orders will not reduce the transaction costs. We conduct aggregated transactions (order blasts) of securities in our Global Equities Program in a manner designed to ensure that no participating client is favored over another client.
- For securities traded other than when a change is made to the securities in the Global Equities Program, clients may receive different prices, as advisory representatives make trades throughout a given day.

#### Item 16

- With the exception of deduction of FTW’s advisory fees from the account, we will not have the ability to withdraw your funds or securities from the account without prior authorization.

## Franklin, Turner & Welch LLC

A copy of our updated Brochure is available to you free of charge and may be requested by contacting us by telephone at (281) 599-3129, emailing us at [davidwelch@ftwllc.com](mailto:davidwelch@ftwllc.com) and/or visiting our website at [www.ftwllc.com](http://www.ftwllc.com).

Additional information about Franklin, Turner & Welch LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The IARD number for Franklin, Turner & Welch LLC is 114465. The SEC's web site also provides information about any persons affiliated with Franklin, Turner & Welch LLC who are registered, or are required to be registered, as Advisory Representatives of Franklin, Turner & Welch LLC.

**TABLE OF CONTENTS**

**Item 3**

COVER PAGE	Item 1	1
MATERIAL CHANGES	Item 2	2
TABLE OF CONTENTS	Item 3	4
ADVISORY BUSINESS	Item 4	5
FEES AND COMPENSATION	Item 5	8
PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT	Item 6	10
TYPES OF CLIENTS	Item 7	10
METHODS of ANALYSIS, INVESTMENT STRATEGIES and RISK of LOSS	Item 8	10
DISCIPLINARY INFORMATION	Item 9	11
OTHER FINANCIAL INDUSTRY ACTIVITIES and AFFILIATIONS	Item 10	11
CODE of ETHICS, PARTICIPATION or INTEREST in CLIENT TRANSACTIONS and PERSONAL TRADING	Item 11	12
BROKERAGE PRACTICES	Item 12	13
REVIEW of ACCOUNTS	Item 13	14
CLIENT REFERRALS and OTHER COMPENSATION	Item 14	14
CUSTODY	Item 15	15
INVESTMENT DISCRETION	Item 16	15
VOTING CLIENT SECURITIES	Item 17	15
FINANCIAL INFORMATION	Item 18	15
REQUIREMENTS for STATE REGISTERED ADVISERS	Item 19	16
Brochure Supplements		

## ADVISORY BUSINESS

## Item 4

Franklin, Turner & Welch LLC (hereinafter referred to as “FTW”) offers Fee Only financial planning that includes a range of advisory services from pre-retirement planning and post-retirement distribution strategies to college planning, multi-generational wealth management and small business retirement planning.

A. FTW is a Limited Liability Company formed under the laws of the State of Texas in 2004 and filed for investment adviser registration with the Securities and Exchange Commission in March 2007. FTW was established under shared ownership of the Co-Managing Directors, J. Jerl Franklin, John H. Turner and W. David Welch. In January 2010, Mr. Franklin retired and his shares were acquired equally by Mssrs. Turner and Welch. W. David Welch, CRD number 4759529 is Co-Managing Director and Chief Compliance Officer. He has been in the financial services industry since 2004. John Turner, CRD number 4755144, is Co-Managing Director. John has also been in the financial services industry since 2004. Additional business information about David, John and FTW’s other Advisory Representatives/Financial Advisors is disclosed on the Supplemental Brochures attached to this Brochure.

B. FTW offers the following advisory services, with each service more fully described below:

- Financial Planning
- Managed Account Program

These services may be general in nature or focused on particular areas of interest or need depending upon each client’s unique circumstances.

### **Financial Planning**

We encourage an initial face-to-face meeting with prospective clients, and can accommodate out-of-town clients with teleconference or webconference meetings, if requested. As a prospective client you are provided a New Client Packet that requests information about you, your assets, risk tolerance and your goals. Initial meetings are typically conducted with two (2) Advisory Representatives in attendance and provide an opportunity to gain insights into where you are on the financial planning continuum as well as offer you the opportunity to ask questions about the overall process and FTW’s services. If there is a mutual agreement to proceed with the business relationship, you will be asked to sign and return an Engagement Letter outlining the proposed services agreed to during the meeting. Your signature confirms receipt of the legally required disclosures.

Normally FTW provides financial planning services only to clients in the Managed Account Program. In certain client situations, we may also offer a program to provide you with a broad range of comprehensive financial planning and consulting services. Prior to engaging FTW, you will generally be required to enter into a retainer agreement that sets forth the terms and conditions of the engagement, describing the scope and the services to be provided and the fee.

Our Advisory Representatives will schedule a meeting with you to gather financial information and history from you about your retirement and financial goals, investment objectives, investment

horizon, existing portfolio and retirement account information, financial needs, estate planning documents, tax information, cash flow analysis, cost of living needs, education needs, savings tendencies, and other applicable financial information in order to provide the planning services you request. Under the guidance of your primary Advisory Representative, firm analysts and firm planners prepare a preliminary Financial Plan using Money Tree<sup>TM</sup> Silver software. It is based on data and financial goals you provided. Your primary Advisory Representative will present the Financial Plan to you in a subsequent meeting.

The Plan is based on your financial situation at the time and on the financial information you disclosed to our Advisory Representative. You need to be aware that certain assumptions may be made with respect to interest and inflation rates as well as the use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. FTW cannot offer any guarantees or promises that your financial goals and objectives will be met. Further, you must continue to review the plan and update the plan based upon changes in your financial situation, goals, or objectives or changes in the economy. Based on your specific needs or situation, you may need to seek the services of other professionals such as an insurance adviser, attorney and/or accountant.

You are not obligated to implement planning advice through FTW or your Advisory Representative. If you do choose to implement the plan with our Advisory Representative, they may receive other compensation, such as asset management fees, in addition to the advisory fee you paid for the planning services. If you choose to implement any or all of the plan outside of FTW, through an unrelated financial services firm or on your own, neither FTW nor our associates will assist with the implementation, including assisting with the completion of paperwork or the execution of transactions.

### **Managed Account Program**

The basic components of this service include:

1. Identifying the Client's investment objectives, constraints and preferences,
2. Developing and implementing investment strategies,
3. Monitoring capital markets and
4. Adjusting investments within a portfolio to reflect significant changes in any or all of the relevant variables.

When FTW completes its analysis of your situation, our Advisory Representative will determine an asset allocation customized to your financial goals, objectives and risk tolerance. We have designed seven (7) investment models based on Risk Profile: Aggressive Growth, Growth, Moderate Growth, Moderate, Conservative Moderate, Conservative, and Ultra Conservative. The models are distinguished by the proportionate investment allocation among asset classes. Investment Model asset classes include Fixed Income, US Large Cap Equity, US Small Cap Equity, International Equity, Real Estate, Alternative Investments and Cash. After evaluating the information gathered by your Advisory Representative, we will determine which investment model would be most suitable for you. From there, we customize your portfolio allocation taking into consideration your limitations or restrictions, the market and economy at the time and your financial situation, goals and objectives.

Your investment management procedures and long-term goals will be defined in an Investment Policy Statement (IPS).

Your Advisory Representative will schedule a meeting with you and present the recommended portfolio allocation. Upon your approval, we will implement the initial portfolio allocation. After we implement the initial portfolio allocation, with your written approval as indicated in the IPS we will provide continuous and ongoing management of your account using our own discretion to determine any changes to the account. Unless otherwise expressly requested by you (see non-discretionary basis, below), FTW will manage the account and will make changes to the allocation as deemed appropriate by the firm and your Advisory Representative. FTW will determine the securities to be purchased and sold in the account and will alter the securities holdings from time to time, without prior consultation with you. Depending on your specific goals and objectives, we will generally hold positions in your account for a long term, even more than a year. If your financial situation or investment goals or objectives change, you must notify FTW promptly of the changes.

If you have a minimum of \$1,000,000 in assets invested with FTW managed on a discretionary basis, you may choose to participate in the Global Equities Program. This program will offer you the opportunity to purchase a group of individual stocks. You must purchase the entire group of stocks as selected by FTW. At our sole discretion, we may elect to accept accounts less than the minimum account size.

Our Advisory Representatives primarily use open-ended mutual funds including no-load and load waived mutual funds purchased at net asset value (NAV), exchange traded funds (ETFs), and REITs. However, managed accounts are not exclusively limited to those securities and may include individual stocks and bonds, certificates of deposits, government securities, money markets, annuities, and direct participation programs. You may impose restrictions and/or limitations on the investing in certain securities or types of securities.

Transactions in the account, account reallocations and rebalancing may trigger a taxable event, with the exception of IRA accounts, 403(b) accounts and other qualified retirement accounts.

If you elect to have your accounts managed on a nondiscretionary basis, no changes will be made to the allocation of your account without prior consultation with you and your expressed agreement for each transaction. We will monitor market conditions and the performance of your portfolio. In order to maintain the initial agreed upon asset allocation, we may rebalance your account. Guidelines for rebalancing your account will be defined in the Investment Policy Statement.

As further described below, FTW has entered into a relationship to offer you brokerage services through Fidelity Investments (Fidelity). Custodial services for the managed Account will be provided through National Financial Services LLC (NFS). There is no affiliation between FTW and either of those entities.

C. FTW does not participate in any wrap fee programs.

D. As of December 31, 2011, we have approximately \$186.8 million of discretionary client assets under our management and \$22.3 million of non-discretionary under our portfolio monitoring services. FTW manages accounts for approximately 124 client relationships.

### General Information

The investment recommendations and advice offered by FTW and your Advisory Representative are not legal advice or accounting advice. You should coordinate and discuss the impact of financial advice with your attorney and/or accountant. Our primary goal is to help our clients identify and pursue their financial goals, thereby enhancing the overall quality of their lives.

## FEES AND COMPENSATION

### Item 5

A. Depending on the facts and circumstances of each case, the below noted fees may be negotiable. Our fees are not based on a share of capital gains or capital appreciation of the funds or any portion of the funds in your account. The Fee Schedule is as follows:

Account Size Over	But Not Over	Annual Fee is	Plus	Of Amount Over
\$0	\$250,000	\$0	1.75%	\$0
\$250,000	\$500,000	\$4,375	.85%	\$250,000
\$500,000	\$1,000,000	\$6,500	.80%	\$500,000
\$1,000,000	\$1,500,000	\$10,500	.70%	\$1,000,000
\$1,500,000	\$2,000,000	\$14,000	.60%	\$1,500,000
\$2,000,000	\$3,000,000	\$17,000	.55%	\$2,000,000
\$3,000,000	\$6,000,000	\$22,500	.50%	\$3,000,000
\$6,000,000	\$10,000,000	\$37,500	.45%	\$6,000,000
\$10,000,000	\$20,000,000	\$55,500	.40%	\$10,000,000
\$20,000,000	Negotiable			

In addition to the advisory fee above, clients participating in the Global Stocks Program will be charged a supplemental fee of up to 0.70% per annum for the value of the individual stock portion of their portfolio.

If you have more than one portfolio, FTW will combine all or a portion of the portfolios for purposes of the above fee schedule.

We sometimes make exceptions to our general fee schedule under certain circumstances (e.g., responsibilities involved; related accounts; pre-existing client; pro bono activities, etc.). In such cases, lower or higher fees or different payment arrangements can be negotiated with each client separately and will be described in the client's Investment Advisory Agreement (IAA). We have "Courtesy Accounts" that we have opened for family members of Managed Account clients; however, we neither actively manage these courtesy accounts nor do we receive fees for them.

You may make additions to your account or withdrawals from your account, provided the account continues to meet minimum account size requirements. Additional assets deposited into or withdrawn from an account after it is opened may be charged a pro-rata fee based upon the number

of days remaining in the then current calendar quarter. No fee adjustments will be made for account appreciation or depreciation due to market fluctuations.

B. If the account is established or closed during the quarter, you will pay a pro-rated portion of the advisory fee based upon the number of days the account was under FTW's management. You may either elect to have us bill you each quarter for your Managed Account Program fees or you may authorize us to deduct the fees directly from your account. You will need to grant FTW the authorization to debit your fee. If the fees are deducted directly from an account, Fidelity will provide you with a monthly statement that lists the total fees deducted from the account as well as all transactions that were conducted in the account that month. Additionally, we will provide you with a fee invoice that identifies the advisory fee, the value of the account and how the fee was calculated. If your account does not contain sufficient funds to pay the advisory fees, we have the limited authority to sell or redeem securities in sufficient amounts to pay advisory fees. Except for ERISA and IRA accounts, you may reimburse your account for advisory fees paid to FTW.

C. In addition to the advisory fees above, certain security transactions may incur a transaction fee, brokerage fee or similar fee. Under most circumstances, FTW will choose to bear such cost. You may also pay fees for custodial services, account maintenance fees, transaction fees, and other fees associated with maintaining the account. These fees are not charged by FTW and are charged by the product or account custodian. FTW does not share in any portion of these fees. Additionally, you may pay your proportionate share of a mutual fund's management and administrative fees and sales charges as well as the mutual fund adviser's fee of any security they purchase. These fees are not shared with FTW and are compensation to the fund-manager. You should read the mutual fund prospectus prior to investing.

D. The Managed Account Program fees are charged in advance on a calendar quarterly basis. Fees will be based on the value of the account on the last business day of the calendar quarter of each year.

Fee calculation example for a \$3.8 million dollar account:

➤ **Quarterly Fee is \$6,625:**  $\$22,500 + \$800,000 \times .50\% (\$4,000) = \$26,500$  divided by 4.

FTW may change the above fee schedule upon 30-days prior written notice to you.

#### Termination Provisions

You may terminate investment advisory services obtained from FTW, without penalty, upon verbal or written notice within five (5) business days after entering into the IAA with FTW. You will, however, be responsible for any fees and charges incurred from third parties as a result of maintaining the account, such as transaction fees for any securities transactions executed and account maintenance or custodial fees. Thereafter, either you or we may terminate the advisory agreement at any time and for any reason, upon thirty (30) days written notice to the other party. Upon notice of termination from you, FTW will await further instructions from you, as to what action you prefer - to transfer the portfolio or to liquidate and remit the proceeds. In response to these instructions, FTW will instruct any broker/dealers, mutual fund sponsors and others accordingly. If you terminate investment advisory services during a quarter, you will be charged a pro-rata portion of the advisory fee for the quarter up to the date of termination.

## **Financial Planning**

Fees for financial planning/consulting services are strictly for planning/consulting services. Therefore, you may pay fees and/or commissions for additional services obtained from other professional consulting services.

Financial planning fees are negotiable but generally range from \$3,000 to \$5,000 on a fixed fee basis, depending on the level and scope of the services required and your financial situation. One half (50%) of the anticipated fee is payable at the time of execution of the Engagement Letter with the remaining fees due upon completion of the services requested. The remaining fee may be waived if you elect to participate in the Managed Account Program within 30 days of completion of the services requested. Your entire fee may be waived if you agree – prior to Plan development – to transfer assets into a Managed Account in a reasonable period following Plan completion.

### Termination Provisions

You may terminate planning services obtained from FTW, without penalty, with verbal or written notice within five (5) business days after entering into the engagement letter with FTW. Thereafter, either you or we may terminate the advisory agreement at any time and for any reason, upon written notice to the other party. If the agreement is terminated by either party, the balance of any unearned fee will be refunded. Clients who terminate the relationship prior to completion of the initial financial plan will receive a refund of the initial deposit minus cost of services provided. For this purpose services will be billed at a rate of \$200 per hour.

## **PERFORMANCE-BASED FEES AND SIDE BY SIDE MANAGEMENT      Item 6**

This section is not applicable to FTW since FTW does not charge performance based fees.

## **TYPES OF CLIENTS      Item 7**

FTW's services are geared toward high net worth individuals (i.e. clients with a net worth of \$1,500,000) trusts and estates.

The minimum account size to obtain Managed Account Program services is generally \$500,000 for accounts. Accounts below these minimums may be accepted on an individual basis at our discretion. Such circumstances may include, but not be limited to, 1) additional assets will soon be deposited or 2) the client has other accounts with FTW. You should be aware that performance may suffer due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Performance of smaller accounts may vary from the performance of accounts with more dollars invested since fluctuations in the market may affect smaller accounts more.

Generally, FTW requires that clients have a minimum of \$1,000,000 in their account to participate in the Global Equities Program. At FTW's sole discretion, the minimum may be waived.

## **METHODS of ANALYSIS, INVESTMENT STRATEGIES and RISK of LOSS      Item 8**

A. FTW conducts economic analysis and attempts to analyze and determine trends. Additionally, FTW conducts fundamental analysis. Fundamental analysis generally involves assessing a

company's or security's value based on factors such as sales, assets, markets, management, products and services, earnings, and financial structure.

Mutual funds are selected based on the firm's internal screening process using predetermined filters (e.g., fund performance and volatility, Manager tenure, operating costs, etc.). After a mutual fund is chosen for the firm's investment portfolio, it is then reviewed on a regular quarterly basis by the firm's Investment Committee. Funds that do not continue to meet the firm's criteria are replaced. Common stocks chosen for the firm's investment program are chosen based on several fundamental analysis metrics (e.g., history of cash flow, dividends, business model, debt ratios, etc.). Individual bonds are chosen based on credit quality, type of issuer, guarantees, yield, duration and coupon.

B. You need to understand that investing in securities involves risk of loss, including the potential loss of the principal money you are investing. Therefore, your participation in the asset allocation/portfolio monitoring program offered by FTW requires you to be prepared to bear the risk of loss as well as the fluctuating performance of your accounts. Market values of investments will always fluctuate based on market conditions.

We do not represent, warrant or imply that the services or methods of analysis we use can or will predict future results, successfully identify market tops or bottoms or insulate you from losses due to major market corrections or crashes. Past performance is no indication of future performance. No guarantees can be offered that your goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by FTW or our Advisory Representatives will provide a better return than other investment strategies.

C. As stated above in Item 4, FTW primarily uses mutual funds in client portfolios. The risks with mutual funds include the costs and expenses within the fund that can impact performance, change of managers and/or the fund straying from its stated investment objective. Open ended mutual funds do not typically have a liquidity issue and the price does not fluctuate throughout the trading day. Mutual fund fees are described in the fund's prospectus, which the custodian mails directly to the client following any purchase of a mutual fund that is new to the client's account. In addition, a prospectus is available online at each mutual fund company's website. At the client's request at any time FTW will direct the client to the appropriate webpage to access the prospectus.

## **DISCIPLINARY INFORMATION**

### **Item 9**

There is no reportable disciplinary information for FTW or its management persons.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES and AFFILIATIONS**

### **Item 10**

A. , B. FTW does not have a related person who is a: broker/dealer or other similar type of broker or dealer; investment company or other pooled investment vehicle, other investment adviser or financial planner; futures commission merchant or commodity pool operator; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of a limited partnership.

C. Neither FTW nor its management persons has a relationship with any of the following entities: broker/dealer, municipal securities dealer, or government securities broker/dealer, investment company or other pooled investment vehicle, other investment adviser or financial planner, futures commission merchant, commodity pool operator or commodity trading advisor, banking or thrift institution, accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer or sponsor syndicator of limited partnerships.

D. FTW does not recommend the services of Third Party Managers.

**CODE of ETHICS, PARTICIPATION or INTEREST in CLIENT TRANSACTIONS and  
PERSONAL TRADING** **Item 11**

**Code of Ethics**

A. FTW has a fiduciary duty to you to act in your best interest and always place your interests first and foremost. FTW takes seriously its compliance and regulatory obligations and requires all staff to comply with such rules and regulations as well as our policies and procedures. Further, we strive to handle your non-public information in such a way to protect information from falling into the hands of anyone who has no business reason to know such information. We provide you with our Privacy Policy which details our procedures for handling your personal information. FTW maintains a code of ethics for its Advisory Representatives, supervised persons and office staff. The Code of Ethics contains provisions for standards of business conduct in order to comply with federal securities laws, personal securities reporting requirements, pre-approval procedures for certain transactions, code violations reporting requirements, and safeguarding of material non-public information about your transactions. Further, our Code of Ethics establishes our firm's expectation for business conduct. A copy of our Code of Ethics will be provided to you upon request.

B. Neither FTW nor its associated persons recommends to clients or buys or sells for client accounts any securities in which we have a material financial interest.

C. FTW and its associated persons may buy or sell securities identical to those securities recommended to you. Therefore, FTW and/or its associated persons may have an interest or position in certain securities that are also recommended and bought or sold to you. They will not put their interests before your interest. Neither FTW nor any associated person may trade in such a way to obtain a better price for themselves than for you or other clients.

D. FTW is required to maintain a list of all securities holdings for its associated persons and develop procedures to supervise the trading activities of associated persons who have knowledge of your transactions and their related family accounts at least quarterly. Further, associated persons are prohibited from trading on non-public information or sharing such information.

You have the right to decline any investment recommendation. FTW and its associated persons are required to conduct their securities and investment advisory business in accordance with all applicable Federal and State securities regulations.

## **BROKERAGE PRACTICES**

## **Item 12**

A. Fidelity Brokerage Services LLC (“FBS”) provides FTW with access to its institutional trading and custody services, which are typically not available to FBS retail investors. FBS may charge commissions (ticket charges) for executing FTW’s transactions. FTW does not receive any part of these separate charges which are assessed directly to clients. FBS does not have a role with respect to FTW’s investment advisory accounts; however they may serve as the broker-dealer in cases where clients wish to execute recommendation as part of the implementation of a financial plan. It is important to note that FBS does not maintain supervisory relationships with respect to FTW or its representatives nor are they in any way affiliated with it. FTW is independently owned and operated.

FTW may execute or recommend that you execute your securities transactions through various firms including, but not limited to broker-dealers such as Fidelity Institutional Wealth Services (“FIWS”) through Fidelity Brokerage Services LLC, Member FINRA/SIPC. These firms may charge commissions (ticket charges) for executing FTW’s transactions. With respect to investment management accounts, FTW does not receive any part of these separate charges.

FTW may recommend/require that you establish investment management account with FIWS to maintain custody of your assets and to effect trades for your accounts. FIWS’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 FTW’s clients’ accounts maintained in custody, FIWS does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through the firm.

FIWS may also make available to FTW other products and services that could benefit us. These types of services will help FTW in managing and administering our client accounts. These include software and other technology that provide access to client account data (i.e. trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of FTW’s fees from its clients’ accounts; and assist with back-office functions, record-keeping, and client reporting. Many of these services may be used to service all or a substantial number of our clients’ accounts.

FTW does not maintain custody of client assets. In all managed account cases, the custodian sends statements to you at least quarterly showing all disbursements from the account including the amount of our advisory fees. You must provide written authorization permitting FTW to be paid directly for your accounts held by the custodian or trustee.

B. FTW trades using “order blasting” or aggregating orders of one security for several accounts at once when a change is made to one or more of the securities in the Global Equities Program. This results in an average price/share for all accounts included in the trade. Aggregated orders will not reduce the transaction costs. We conduct aggregated transactions (order blasts) of securities in our Global Equities Program in a manner designed to ensure that no participating client is favored over another client. If the aggregate order is not filled in its entirety and when possible, securities

purchased or sold in an aggregated transaction will be allocated pro-rata to the participating client accounts in proportion to the size of the orders placed for each account. For securities traded other than when a change is made to the securities in the Global Equities Program, clients may receive different prices, as advisory representatives make trades throughout a given day.

## **REVIEW of ACCOUNTS**

### **Item 13**

Subsequent to the presentation of the financial plan, regular update meetings are held with those clients in the firm's Managed Account Program. Items reviewed during those meetings include (a) any changes in the client's financial and family situation, (b) portfolio investment performance, (c) income tax planning, and (d) estate plan updates. You may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Financial Plans will be reviewed periodically as needed, as the result of qualifying events or at the request of a client. Reviews are conducted by each Advisory Representative.

Accounts will be reviewed by the firm on a quarterly basis unless otherwise requested by the client.

You are advised that you must notify your Advisory Representative promptly of any changes to your financial goals, objectives or financial situation as such changes may require him to review the portfolio allocation and make recommendations for changes.

B. Your Advisory Representative will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which your assets are invested, and market shifts and corrections. Recommended securities are selected on a predetermined set of filters that are designed to identify specific investments that are best suited for their asset class. FTW's Investment Committee reviews the specific investments for each asset class in detail to select investments that best represent their asset class. Each quarter, previously selected investments are reviewed by the Investment Committee. This committee is comprised of FTW's Co-Managing Directors, Advisory Representatives and Investment Analysts.

C. You will be provided statements at least quarterly direct from Fidelity, the account custodian. Additionally, you will receive confirmations of all transactions occurring direct from Fidelity. You may request an investment portfolio summary. At least quarterly, you will be provided with an account statement reflecting the transactions occurring in your account. You may also have online access to review your account at any time. At least quarterly, you will be provided with a portfolio performance report from FTW. You should compare our reports with statements received direct from Fidelity. Should there be any discrepancy Fidelity's report will prevail.

FTW recommends you have at least an annual review of any financial plans. However, the time and frequency of the reviews is solely your decision. Other than the financial plan or quarterly performance reports, there will be no other reports issued.

## **CLIENT REFERRALS and OTHER COMPENSATION**

### **Item 14**

A. Product vendors recommended by FTW may provide monetary and non-monetary assistance with client events, provide educational tools and resources. We do not select products as a result of

any monetary or non-monetary assistance. The selection of product is first and foremost. FTW's due diligence of a product does not take into consideration any assistance it may receive. Therefore, this is not considered a conflict of interest but a benefit for you and us.

FTW does not directly or indirectly compensate any person who is not a supervised person of our firm for referrals. Further, we do not receive an economic benefit from a non-client for providing investment advice or advisory services to you.

## **CUSTODY**

### **Item 15**

With the exception of deduction of FTW's advisory fees from your accounts, FTW does not take custody of your funds or securities. As noted under Item 13C above, you should compare the portfolio allocation reports we provide you with your Fidelity statement.

## **INVESTMENT DISCRETION**

### **Item 16**

You may grant FTW authorization to manage your account on a discretionary basis. You will grant such authority to FTW by execution of the IAA. You may terminate the discretionary authorization at any time by giving us written notice.

Additionally, you are advised that:

- 1) You may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations;
- 2) Your written consent is required to establish any mutual fund, variable annuity, or brokerage account;
- 3) With the exception of deduction of FTW's advisory fees from the account, we will not have the ability to withdraw your funds or securities from the account without prior authorization.

## **VOTING CLIENT SECURITIES**

### **Item 17**

FTW does not vote your securities. Unless you suppress proxies, securities proxies will be sent directly to you by the account custodian or transfer agent. You may contact your Advisory Representative about questions you may have and opinions on how to vote the proxies. However, the voting and how you vote the proxies is solely your decision.

## **FINANCIAL INFORMATION**

### **Item 18**

A. FTW will not require you to prepay more than \$1,200 and six or more months in advance of receiving the advisory service; therefore, a balance sheet is not required to be attached.

B. FTW may have discretionary authority over client accounts; however that authority does not extend to the withdrawal of any client assets, with the exception of deduction of FTW's advisory fees from your accounts. We are financially stable. There is no financial condition that is likely to impair our ability to meet our contractual commitment to you or any other client.

C. Neither FTW nor its Advisory Representative has ever been the subject of a bankruptcy petition.

**REQUIREMENTS for STATE REGISTERED ADVISERS**

**Item 19**

This section is not applicable to FTW. FTW is not state registered. FTW is registered with the Securities and Exchange Commission.