

Item 1 – Cover Page

J.M. Egan Wealth Advisors, LLC
SEC File Number: 801 – 69374

J.M. Egan Wealth Advisors, LLC

Brochure
Dated 1/23/2012

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This brochure provides information about the qualifications and business practices of J.M. Egan Wealth Advisors, LLC ("J.M. Egan"). If you have any questions about the contents of this brochure, please contact us at (973) 377-4700 or john@jmegan.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 J.M. Egan Wealth Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. References herein to J.M. Egan Wealth Advisors, LLC 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

There have been no material changes made to J.M. Egan's disclosure statement since last year's Annual Amendment filing on March 29, 2011.

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Item 4 – Advisory Business

A. J.M. Egan Wealth Advisors, LLC (“J.M. Egan”) is a limited liability company formed on November 1, 2007, in the State of New Jersey. J.M. Egan became registered as an Investment Adviser Firm in July 2008. J.M. Egan is owned by John M. Egan. Mr. Egan is J.M. Egan's Managing Member.

B. As discussed below, J.M. Egan offers to its our clients (individuals, business entities, trusts, estates and charitable organizations, 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 J.M. Egan to provide discretionary investment advisory services on a wrap or non-wrap fee basis. (See discussion below). If a client determines to engage J.M. Egan on a wrap fee basis, the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage J.M. Egan on a non-wrap fee basis, the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody).

SEI ASSET MANAGEMENT PROGRAM

A client may elect to have his/her/its assets managed through the SEI Asset Management Program ("SEI Program"). The SEI Program is an institutional asset allocation program that J.M. Egan uses in the management of client account assets. J.M. Egan assists clients in the establishment of a SEI Program Account (the "Account") at SEI Trust Company ("SEI"). All Account transactions are processed and cleared through SEI. The SEI Program uses asset allocation portfolios developed by SEI Investments. The portfolios consist of the SEI Family of Institutional Mutual Funds and other securities approved by SEI to be held in an Account. J.M. Egan provides SEI with the asset allocation policy that the client selects for the Account. J.M. Egan directs SEI to reallocate the client's investments in accordance with the client's Asset Allocation Policy. In addition, J.M. Egan directs SEI to rebalance the investments within the Account at least quarterly so that the market value of the shares of each mutual fund held in the Account is the same percentage of the total market value of the Account as required by the client's Asset Allocation Policy. Custody of all SEI Program client Account assets are held at SEI. If a client determines to engage J.M. Egan to provide discretionary investment advisory services on a fee basis through the SEI Asset Management Program, J.M. Egan's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under J.M. Egan's management (between negotiable and 1.75%), to be charged quarterly in arrears. Up to 5% of the investment advisory fee may be paid to Securities America Advisors, Inc. ("SAA"), an SEC registered investment advisor affiliated with Securities America, Inc., for marketing and administrative services SAA provides to clients.

SAA FINANCIAL ADVISORS PROGRAM

J.M. Egan provides investment management services on a wrap fee basis through the SAA Financial Advisors Program ("Financial Advisors Program"). Securities America Advisors, Inc. ("SAA") is the sponsor of the Financial Advisors Program. The services offered under, and the corresponding terms and conditions pertaining to, the Financial Advisors Program are discussed in the Financial Advisors Program Wrap Fee Brochure, a copy of which is presented to all prospective Financial Advisors Program participants. Under the Financial Advisors Program, J.M. Egan is able to offer participants discretionary investment management services, for a single specified annual Financial Advisors Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Financial Advisors Program fee ranges from negotiable to 3.00%, depending upon the amount and type of the Financial Advisors Program assets, unless the client determines to allocate assets solely to mutual funds, in which case the fee range shall be from negotiable to 2.25%. SAA retains up to 20 basis points (0.20%) of the annual management fee from the Financial Advisors Program accounts.

Under the Financial Advisors Program, J.M. Egan will assist the client in establishing a Financial Advisors Program account (the "Account") with SAA. All brokerage transactions in the Account will be processed by SAA and then cleared through National Financial Services, LLC ("NFS"). SAA has also entered into agreements with various insurance companies that allow for the management and valuation of client variable annuity accounts. NFS shall serve as the custodian for Financial Advisors Program.

The terms and conditions for client participation in the Financial Advisors Program are set forth in detail in the Financial Advisors Program Wrap Fee Brochure, which is presented to all prospective Program participants. All prospective Program participants should read both J.M. Egan's Brochure and the Financial Advisors Program Wrap Fee Brochure, and ask any corresponding questions that they may have, prior to participation in the Financial Advisors Program.

MANAGED OPPORTUNITIES WRAP PROGRAM

J.M. Egan provides investment management services on a wrap fee basis through SAA's Managed Opportunities Wrap Program ("Managed Opportunities Program"). SAA is the sponsor of the Managed Opportunities Program. The services offered under, and the corresponding terms and conditions pertaining to, the Managed Opportunities Program are discussed in the SAA Managed Opportunities Program Wrap Fee Brochure, a copy of which is presented to all prospective Managed Opportunities Program participants. Under the Managed Opportunities Program, J.M. Egan is able to offer participants discretionary investment management services, for a single specified annual program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Managed Opportunities Program fee ranges from negotiable to 2.25%, depending upon the amount and type of the Managed Opportunities Program assets.

The Managed Opportunities Program provides clients with the opportunity to establish Mutual Fund Portfolios, Separate Account Portfolios, and Unified Managed Account Portfolios developed by third-party money managers that are registered as investment advisors (collectively

referred to as sub-advisors). In addition, the Managed Opportunities Program offers adviser directed portfolios through which J.M. Egan will work with and advise clients in the selection of investments constituting a portion of Managed Opportunities Program. J.M. Egan will continue to provide ongoing supervisory services for all clients who elect to participate in the Managed Opportunities Program.

The terms and conditions for client participation in the Program are set forth in detail in the Managed Opportunities Program Wrap Fee Brochure, which is presented to all prospective program participants. All prospective Program participants should read both J.M. Egan's Brochure and the Managed Opportunities Program Wrap Fee Brochure, and ask any corresponding questions that they may have, prior to participation in the Managed Opportunities Program.

Please Note: Sub-Advisors.

The Managed Opportunities Program may engage sub-advisors for the purpose of assisting J.M. Egan with the management of its client accounts. The sub-advisor(s) shall have limited discretionary authority for the day-to-day management of the assets that are allocated to it by J.M. Egan. The sub-advisor shall continue in such capacity until such arrangement is terminated or modified by J.M. Egan or SAA. SAA shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services. J.M. Egan's Chief Compliance Officer, John M. Egan, remains available to address any questions concerning the SAA's sub-advisory arrangements.

Please Note: Conflict of Interest.

Clients should be aware that J.M. Egan will be paid a referral fee (also known as a solicitation fee) for all client accounts that are referred and placed in the Managed Opportunities Program. This represents a conflict of interest as J.M. Egan's representatives may have an incentive to recommend the Managed Opportunities Program based upon the referral fee rather than a particular client's needs. All clients should be aware that they are under no obligation to participate in the Managed Opportunities Program. **J.M. Egan's Chief Compliance Officer, John M. Egan, is available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, J.M. Egan may determine to provide financial planning and/or consulting services on a stand-alone separate fee basis.

J.M. Egan offers comprehensive and segmented financial plans in both written and oral form. A financial plan can include, but is not limited to, the following topics:

- Cash Flow Planning (review of monthly expenses/income; review of savings/emergency fund/banking; review of debts, mortgage, home equity, credit cards, loans);
- Risk Management (health/dental insurance review; life insurance review; disability insurance review; long term care insurance review);

- Retirement Planning (review of current retirement assets; needs analysis; asset projections);
- Tax Planning (tax return review; consult with tax preparer);
- Estate Planning (estate planning document review; consult with estate planning attorney);
- Investment Planning (risk/return profile; asset allocation analysis; proposed portfolio/investment policy statement; reporting);
- Other (education funding; employee benefit review).

J.M. Egan's planning and consulting fees are negotiable, but generally range from \$500 to \$10,000 on a fixed fee basis, and from \$100 to \$500 on an hourly rate basis (with a minimum charge of two hours), depending upon the level and scope of the service(s) required and the professional(s) rendering the service(s). Prior to engaging J.M. Egan to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement with J.M. Egan 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 J.M. Egan commencing services. J.M. Egan may require a retainer of 25% of the quoted fee at the time the agreement is signed. If requested by the client, J.M. Egan may recommend or utilize the services of other professionals for implementation purposes, including certain of J.M. Egan's representatives in their individual capacities as registered representatives of a broker dealer and/or as licensed insurance agents. (See disclosure at Item 10 C.1 and Item 10 C.8). 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 J.M. Egan. **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:** Each client is advised that it remains the client's responsibility to promptly notify J.M. Egan if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising J.M. Egan's previous recommendations and/or services.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services.

To the extent requested by the client, J.M. Egan may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither J.M. Egan, nor any of its representatives, serves as an attorney or accountant, and no portion of J.M. Egan's services should be construed as same. To the extent requested by a client, J.M. Egan may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including representatives of J.M. Egan in their separate registered/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 J.M. Egan. **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:** Each client is

advised that it remains the client's responsibility to promptly notify J.M. Egan if there is ever any change in client's financial situation or investment objectives for the purpose of reviewing/evaluating/revising J.M. Egan's previous recommendations and/or services.

Client Obligations.

In performing its services, J.M. Egan 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 J.M. Egan if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising J.M. Egan's previous recommendations and/or services.

Disclosure Statement.

A copy of J.M. Egan'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. J.M. Egan 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, J.M. Egan 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 J.M. Egan's services.

D. There is no significant difference between how J.M. Egan manages wrap fee accounts and non-wrap fee accounts. However, as stated above, if a client determines to engage J.M. Egan on a wrap fee basis the client will pay a single fee for bundled services (i.e. investment advisory, brokerage, custody) (See Item 4.B). The services included in a wrap fee agreement will depend upon each client's particular need. If the client determines to engage J.M. Egan on a non-wrap fee basis the client will select individual services on an unbundled basis, paying for each service separately (i.e. investment advisory, brokerage, custody).

E. As of December 31, 2011, J.M. Egan had \$111,076,843 in assets under management on a discretionary basis.

Item 5 – Fees and Compensation

A. The client can determine to engage J.M. Egan to provide discretionary investment advisory services on a wrap or non-wrap fee basis. J.M. Egan offers various asset management programs, as discussed below.

SEI ASSET MANAGEMENT PROGRAM

If a client determines to engage J.M. Egan to provide investment management services in accordance with the SEI Program, the current annual SEI Program fee ranges from negotiable to 1.75%, depending upon the amount and type of the program assets.

SAA FINANCIAL ADVISORS WRAP PROGRAM

If a client determines to engage J.M. Egan to provide investment management services on a wrap fee basis in accordance with the Financial Advisors Program, the services offered under, and the corresponding terms and conditions pertaining to, the Financial Advisors Program are discussed in the Financial Advisors Program Wrap Fee Brochure, a copy of which is presented to all prospective Program participants. Under the Financial Advisors Program, J.M. Egan is able to offer clients discretionary investment management services, for a single specified annual fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Financial Advisors Program fee ranges from negotiable to 3.00%, depending upon the amount and type of the Financial Advisors Program assets, unless the client determines to allocate assets solely to mutual funds, in which case the fee range shall be from negotiable to 2.25%.

MANAGED OPPORTUNITIES WRAP PROGRAM

If a client determines to engage J.M. Egan to provide investment management services on a wrap fee basis in accordance with the Managed Opportunities Program, the services offered under, and the corresponding terms and conditions pertaining to, the Managed Opportunities Program are discussed in the Managed Opportunities Program Wrap Fee Brochure, a copy of which is presented to all prospective program participants. Under the Managed Opportunities Program, J.M. Egan is able to offer clients discretionary investment management services, for a single specified annual Managed Opportunities Program fee, inclusive of trade execution, custody, reporting, and investment management fees. The current annual Managed Opportunities Program fee ranges from negotiable to 2.25%, depending upon the amount and type of the Managed Opportunities Program assets.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent requested by a client, J.M. Egan 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. J.M. Egan's planning and consulting fees are negotiable, but generally range from \$500 to \$10,000 on a fixed fee basis, and from \$100 to \$500 on an hourly rate basis (with a minimum charge of two hours), depending upon the level and scope of the service(s) required and the professional(s)

rendering the service(s). J.M. Egan may require a retainer of 25% of the quoted fee at the time the agreement is signed.

B. Clients may elect to have J.M. Egan's advisory fees deducted from their custodial account. Both J.M. Egan's Investment Advisory Agreement and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of J.M. Egan's investment advisory fee and to directly remit that management fee to J.M. Egan in compliance with regulatory procedures. In the limited event that J.M. Egan bills the client directly, payment is due upon receipt of J.M. Egan's invoice. J.M. Egan shall deduct fees and/or bill clients as follows:

For the SEI Program, fees are deducted and/or billed quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter.

For the Financial Advisor Program, fees are deducted and/or billed monthly in arrears, based upon the market value of the assets on the last business day of the previous quarter.

For the Managed Opportunities Program, fees are deducted and/or billed monthly in arrears, 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, J.M. Egan shall generally recommend that Securities America, Inc. ("SA") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as SA 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 J.M. Egan's investment management fee, 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. J.M. Egan's annual investment advisory fee shall be prorated and paid quarterly as follows:

For the SEI Program, fees are deducted and/or billed quarterly in arrears, based upon the market value of the assets on the last business day of the previous quarter.

For the Financial Advisor Program, fees are deducted and/or billed monthly in arrears, based upon the market value of the assets on the last business day of the previous quarter.

For the Managed Opportunities Program, fees are deducted and/or billed monthly in arrears, based upon the market value of the assets on the last business day of the previous quarter.

J.M. Egan's and/or SAA's minimum asset level requirement is dependent upon the program utilized. The minimum investment required in the SEI Program is \$100,000. SAA recommends a minimum investment of \$25,000 to establish a Financial Advisors Program Account. As a general rule, SAA requires a minimum of \$50,000 to establish and maintain Managed Opportunities Mutual Fund Portfolios, \$100,000 for Separate Account Portfolios, \$250,000 for Unified Managed Account Portfolios and \$50,000 for Advisor Directed Portfolios. J.M. Egan, in conjunction with SAA, may charge a lesser investment management fee and/or reduce and/or waive its minimum asset requirement 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 J.M. Egan 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, J.M. Egan shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

E. **Securities Commission Transactions.**

In the event that the client desires, the client can engage certain of J.M. Egan's representatives, in their individual capacities as registered representatives of Securities America, Inc. ("SA"), an SEC registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through SA, SA will charge brokerage commissions to effect securities transactions, a portion of which commissions SA shall pay to J.M. Egan's representatives, as applicable. The brokerage commissions charged by SA may be higher or lower than those charged by other broker-dealers. In addition, SA, as well as J.M. Egan's representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12(b)-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

1. **Conflict of Interest:** The recommendation that a client purchase a commission product from J.M. Egan's representatives in their separate individual capacities as registered representatives of SA presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's needs. No client is under any obligation to purchase any commission products from J.M. Egan's representatives. **J.M. Egan's Chief Compliance Officer, John M. Egan, is available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
2. **Please Note:** Clients may purchase investment products recommended by J.M. Egan through other non-affiliated broker dealers or agents.
3. J.M. Egan does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products J.M. Egan recommends to its clients.

4. When J.M. Egan's representatives sell an investment product on a commission basis, J.M. Egan does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, J.M. Egan's representatives do not also receive commission compensation for such advisory services (except for any ongoing 12(b)-1 trailing commission compensation that may be received as previously discussed). **However**, a client may engage J.M. Egan to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from J.M. Egan's representatives on a separate commission basis.

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

Neither J.M. Egan nor any supervised person of J.M. Egan accepts performance-based fees.

Item 7 – Types of Clients

J.M. Egan's clients shall generally include individuals, business entities, trusts, estates, and charitable organizations. J.M. Egan's and/or SAA's minimum asset level requirement is dependent upon the program utilized. The minimum investment required in the SEI Program is \$100,000. SAA recommends a minimum investment of \$25,000 to establish a Financial Advisors Program Account. As a general rule, SAA requires a minimum of \$50,000 to establish and maintain Managed Opportunities Mutual Fund Portfolios, \$100,000 for Separate Account Portfolios, \$250,000 for Unified Managed Account Portfolios and \$50,000 for Advisor Directed Portfolios. J.M. Egan, in conjunction with SAA, may charge a lesser investment management fee and/or reduce and/or waive its minimum asset requirement 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. J.M. Egan shall utilize the following methods of security analysis:
 - Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)

J.M. Egan shall 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.

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 J.M. Egan) will be profitable or equal any specific performance level(s).

B. J.M. Egan'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 J.M. Egan must have access to current/new market information. J.M. Egan has no control over the dissemination rate of market information; therefore, unbeknownst to J.M. Egan, certain analyses may be compiled with outdated market information, severely limiting the value of J.M. Egan'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.

J.M. Egan'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, J.M. Egan primarily allocates client investment assets among various third party money managers, mutual funds, exchange traded funds and/or variable annuities, on a discretionary basis in accordance with the client's designated investment objective(s).

Item 9 – Disciplinary Information

J.M. Egan has not been the subject of any disciplinary actions.

Item 10 – Other Financial Industry Activities and Affiliations

A. **Registered Representative of SA.** As disclosed above in Item 5.E, certain of J.M. Egan's representatives are also registered representatives of Securities America, Inc. ("SA"), an SEC registered and FINRA member broker-dealer.

B. Neither J.M. Egan, 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.

1. **Registered Representatives of SA.** As disclosed above in Item 5.E, certain of J.M. Egan's representatives, are registered representatives of SA, an SEC Registered and FINRA member broker-dealer. Clients may choose to engage J.M. Egan's representatives in their individual capacities as registered representatives of SA, to implement investment recommendations on a commission basis.

8. **Licensed Insurance Agents.** Certain of J.M. Egan's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance-related products on a commission basis. As referenced in Item 4.B above, clients can engage certain of J.M. Egan's representatives to purchase insurance-related products on a commission basis.

- **Conflict of Interest:** The recommendation by J.M. Egan's representatives that a client purchase a securities or insurance commission product presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from J.M. Egan's representatives. Clients are reminded that they may purchase insurance or securities products recommended by J.M. Egan through other non-affiliated broker-dealers or insurance agents. **J.M. Egan's Chief Compliance Officer, John M. Egan, is available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

D. As noted in Item 4.B, J.M. Egan recommends other investment advisors for which it may receive a fee. J.M. Egan's clients should be aware that J.M. Egan will be paid a referral fee (also known as a solicitation fee) for all client accounts that are referred to the Managed Opportunities Program. J.M. Egan's representatives may have an incentive to recommend the Managed Opportunities Program based upon the referral fee to be received rather than a particular client's needs. All clients should be aware that they are under no obligation to participate in the Managed Opportunities Program. **J.M. Egan's Chief Compliance Officer, John M. Egan, remains available to address any questions that a client or prospective client may have regarding the above conflicts of interest.**

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

A. J.M. Egan maintains an investment policy relative to personal securities transactions. This investment policy is part of J.M. Egan's overall Code of Ethics, which serves to establish a standard of business conduct for all of J.M. Egan'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, J.M. Egan also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by J.M. Egan or any person associated with J.M. Egan.

B. Neither J.M. Egan nor any related person of J.M. Egan recommends, buys, or sells for client accounts, securities in which J.M. Egan or any related person of J.M. Egan has a material financial interest.

C. J.M. Egan and/or representatives of J.M. Egan may buy or sell securities that are also recommended to clients. This practice may create a situation where J.M. Egan and/or representatives of J.M. Egan 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 J.M. Egan 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 J.M. Egan's clients) and other potentially abusive practices.

J.M. Egan has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of J.M. Egan's "Access Persons." J.M. Egan's securities transaction policy requires that an Access Person of J.M. Egan 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 J.M. Egan selects; provided, however that at any time that J.M. Egan has only one Access Person, he or she shall not be required to submit any securities report described above.

D. J.M. Egan and/or representatives of J.M. Egan may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where J.M. Egan and/or representatives of J.M. Egan 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, J.M. Egan has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of J.M. Egan's Access Persons.

Item 12 – Brokerage Practices

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

Factors that J.M. Egan considers in recommending SA (or any other broker-dealer/custodian to clients) include historical relationship with J.M. Egan, financial strength,

reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by J.M. Egan's clients shall comply with J.M. Egan'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 J.M. Egan determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. 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 J.M. Egan 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, J.M. Egan's investment management fee. J.M. Egan'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. Research and Additional Benefits.

Although not a material consideration when determining whether to recommend that a client purchase a specific investment product, J.M. Egan may receive from distributors of investment and/or insurance products financial support including reimbursement for travel and/or marking expenses that may assist J.M. Egan with client marketing events. Financial support received from a sponsor to conduct a specific marketing event could exceed the total cost of the specific event. However, there is no corresponding commitment made by J.M. Egan, to any such product sponsor that its financial support will result in a certain level of sales production of their products to J.M. Egan's clients. The receipt of financial support that may be received by J.M. Egan is in addition to the commission compensation received by J.M. Egan's Representatives when selling an investment and/or insurance product.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, J.M. Egan may receive from SA (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist J.M. Egan to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by J.M. Egan 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 J.M. Egan 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 J.M. Egan in managing and administering client accounts. Others do not directly provide such assistance, but rather assist J.M. Egan to manage and further develop its business enterprise.

J.M. Egan's clients do not pay more for investment transactions effected and/or assets maintained at SA as a result of this arrangement. There is no corresponding commitment made by J.M. Egan to SA 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.

2. J.M. Egan does not receive referrals from broker-dealers.
3. J.M. Egan 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 J.M. Egan 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 J.M. Egan. 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 J.M. Egan 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 J.M. Egan.

J.M. Egan's Chief Compliance Officer, John M. Egan, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

B. To the extent that J.M. Egan provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless J.M. Egan decides to purchase or sell the same securities for several clients at approximately the same time. J.M. Egan may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among J.M. Egan's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. J.M. Egan shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 – Review of Accounts

A. For those clients to whom J.M. Egan provides investment supervisory services, account reviews are conducted on an ongoing basis by J.M. Egan's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise J.M. Egan 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 J.M. Egan on an annual basis.

B. J.M. Egan 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. J.M. Egan may also provide a written periodic report summarizing account activity and performance.

Item 14 – Client Referrals and Other Compensation

A. As referenced in Item 12.A.1 above, J.M. Egan may receive an indirect economic benefit from SA. J.M. Egan, without cost (and/or at a discount), may receive support services and/or products from SA.

J.M. Egan's clients do not pay more for investment transactions effected and/or assets maintained at SA as a result of this arrangement. There is no corresponding commitment made by J.M. Egan to SA 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.

J.M. Egan's Chief Compliance Officer, John M. Egan, is 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. J.M. Egan does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

Item 15 – Custody

J.M. Egan 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. J.M. Egan may also provide a written periodic report summarizing account activity and performance.

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

Item 16 – Investment Discretion

The client can determine to engage J.M. Egan to provide investment advisory services on a discretionary basis. Prior to J.M. Egan assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming J.M. Egan as the client's attorney and agent in fact, granting J.M. Egan full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage J.M. Egan on a discretionary basis may, at anytime, impose restrictions, **in writing**, on J.M. Egan's discretionary authority. (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe J.M. Egan's use of margin, etc.).

Item 17 – Voting Client Securities

A. J.M. Egan 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 J.M. Egan to discuss any questions they may have with a particular solicitation.

Item 18 – Financial Information

A. J.M. Egan does not solicit fees of more than \$1,200, per client, six months or more in advance.

B. J.M. Egan is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.

C. J.M. Egan has not been the subject of a bankruptcy petition.

ANY QUESTIONS: J.M. Egan's Chief Compliance Officer, John M. Egan, is available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.