



## **Firm Brochure**

(Part 2A of Form ADV)

### **NAPA VALLEY WEALTH MANAGEMENT**

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This brochure provides information about the qualifications and business practices of NAPA VALLEY WEALTH MANAGEMENT. If you have any questions about the contents of this brochure, please contact us at: (888) 883-3222, or by email at: [INFO@NAPAVWM.COM](mailto:INFO@NAPAVWM.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 NAPA VALLEY WEALTH MANAGEMENT is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**DATE:** March 21, 2013

## Material Changes

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### Annual Update

The Material Changes section of this brochure will be updated annually when material changes have occurred since the previous release of the Firm Brochure.

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### Material Changes Since the Last Update

Napa Valley Wealth Management has not had any material changes since our last update.

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### Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (888) 883-3222 or by email at: [INFO@NAPAVWM.COM](mailto:INFO@NAPAVWM.COM).

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# Advisory Business

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## **Firm Description**

NAPA VALLEY WEALTH MANAGEMENT (NVWM) was founded in 2003.

NVWM provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

NVWM is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, NVWM advises clients regarding cash flow, college planning, retirement planning, tax planning, and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. NVWM does not act as a custodian of client assets. The client always maintains asset control. NVWM places trades for clients under a limited power of attorney.

Each client is interviewed to elicit and evaluate the client's financial information and goals. The firm makes specific recommendations based upon the information provided. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge, and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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## **Principal Owners**

Kelly Crane is a 100% stockholder.

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**Types of Advisory Services**

NVWM provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; and furnishes investment advice through consultations.

On more than an occasional basis, NVWM furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of March 15, 2013, NVWM manages approximately \$157,000,000 in assets for approximately 230 clients. All of our clients' assets are managed on a discretionary basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment Policy Statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships.

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**Financial Planning Agreement**

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans, including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is \$600 to \$3,000, and is negotiable. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client

must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$300 per hour.

A flat fee may be charged with prepayment of no more than \$500 for services to be provided within the following six months. The balance is due upon completion of the work. Any unearned prepayment will be refunded if written notice of cancellation is received prior to completion of the work. This fee covers time spent on the following:

- Client meetings/review (no charge for initial consultation)
- Research and preparation of written choices for the client and specific plan
- Research and preparation of reports related to plan (modules)

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### **Investment Management Agreement**

An Investment Management Agreement may be executed when financial planning is not provided as part of the relationship, or when a client decides to implement a financial plan with our company.

#### **INITIAL ADVISORY FEE**

The Initial Advisory Fee is 0.50% of assets. The Initial Advisory Fee includes a personalized written analysis, allocation of assets among a variety of asset categories, and the initial placement of funds in specific investment vehicles (exclusive of transaction costs). A personal Investment Policy Statement and specific advice regarding initial allocation and placement of investment funds is also agreed upon. The Initial Advisory Fee applies to the initial investment amount and all new money added to the account. All transaction costs are borne by the client. We have a minimum Annual Ongoing Advisory Fee of \$625.

#### **CONTINUING ADVISORY FEE SCHEDULE**

<b>Account Valuation</b>	<b>Annual Fee</b>
First \$250,000	1.60%
Next \$250,000 up to \$500,000	1.45%
Next \$500,000 up to \$1,000,000	1.25%
Next \$1,000,000 up to \$2,000,000	1.05%
Over \$2,000,000	0.85%

After the first five business days the Investment Management Agreement may be terminated at any time upon 30 days prior written notice by either party. Fees will be pro-rated to the date of termination.

Clients may also elect to purchase commissionable products, such as a Variable Annuity (VA), Variable Universal Life insurance (VUL) or Real Estate Investment Trust (REIT). In this case, Advisory Affiliates will receive a commission for the purchase of the VA, VUL, or REIT. The commission will be rebated back to the client and a management fee charged on the asset value of the product.

### **Credit Policy**

If any investments in the portfolio generate a commission to the advisor, a credit will be applied against the advisory fees and carried forward for a maximum of one year beyond the year of purchase. The credit will be the amount of the commission net to the Advisory Affiliate in excess of 3% of the commissionable investments; 12(b)(1) fees or similar trailing commissions not exceeding 95 basis points will not be credited. Should the client terminate the Investment Management Agreement before full reimbursement of any creditable commission, no further reimbursement or payment will be made.

The fees described in this fee schedule are subject to negotiation. They may be reduced for existing clients not using these services or 401(k) plans that require ongoing services or initial hourly fee-based consulting services. The actual fees paid by each client are detailed in the client's Investment Management Agreement.

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### **Hourly Planning Engagements**

NVWM provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$300, with a minimum fee of \$600.

In addition to investment advice through consultation, NVWM provides advice on estate plans, business succession, cash flow, and financial plans for an hourly fee as described above.

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### **Asset Management**

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an Investment Management Fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. NVWM does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and

mutual funds shares), U.S. government securities, options contracts, and interests in partnerships or limited liability companies.

Initial public offerings (IPOs) are not available through NVWM.

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**Termination of Agreement**

A client may terminate any of the aforementioned agreements at any time by notifying NVWM in writing and paying the rate for the time spent on the Investment Advisory Engagement prior to notification of termination. If the client made an advance payment, NVWM will refund any unearned portion of the advance payment.

**FEES PAID IN ADVANCE WILL BE REFUNDED IN FULL IF CLIENT CANCELS AN INVESTMENT MANAGEMENT AGREEMENT WITHIN FIVE BUSINESS DAYS AFTER EXECUTION OF THE AGREEMENT. AFTER FIVE BUSINESS DAYS, FEES ARE PRO-RATED BASED ON THE DATE OF TERMINATION AND THE AMOUNT OF WORK COMPLETED.**

NVWM may terminate any of the aforementioned agreements at any time by notifying the client in writing.

## **Fees and Compensation**

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**Description**

NVWM bases its fees on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees), and commissions.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are negotiated with each individual client and detailed in each client agreement.

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**Fee Billing**

Investment Management Fees are billed quarterly, in *arrears*, meaning that we invoice you *after* the three-month billing period has *ended*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

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**Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security

is more important than the nominal fee that the custodian charges to buy or sell the security.

NVWM, in its sole discretion, may waive its minimum fee and/or charge a lesser Investment Advisory Fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for its services. These fees are in addition to the fees paid by you to NVWM.

Performance figures quoted by mutual fund companies in various publications are *after* their fees have been deducted.

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### **Past Due Accounts and Termination of Agreement**

NVWM reserves the right to stop work on any account that is more than 30 days overdue. In addition, NVWM reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in NVWM's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## **Types of Clients**

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### **Description**

NVWM generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, or business entities.

Client relationships vary in scope and length of service.

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### **Account Minimums**

The minimum account size is \$500,000 of assets under management, which equates to an annual fee of \$8,125.

When an account falls below \$50,000 in value, the minimum annual fee of \$825 is charged. Depending upon circumstances, NVWM will sign an Hourly Agreement with the client if assets have diminished significantly below \$50,000.

NVWM has the discretion to waive the account minimum. Accounts of less than \$500,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts, bringing the total to \$500,000 within a

reasonable time. Other exceptions will apply to employees of NVWM and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services will be assessed a \$825 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

## **Methods of Analysis, Investment Strategies, and Risk of Loss**

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### **Methods of Analysis**

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that NVWM may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, eMoney Advisor, Advisor World, and the World Wide Web.

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### **Investment Strategies**

The primary investment strategy used on client accounts is tactical asset allocation utilizing a core and satellite approach. This means that we use actively managed and exchange-traded funds as the core investments, and then add actively managed sector funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

A new client is interviewed extensively to determine the client's financial objectives, time horizon, and risk tolerance. We utilize various portfolio models based on the data from the questionnaire. A strategy consisting of a combination of strategic and tactical asset allocation and/or sector rotation is employed in the management of all models.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations as well as the client's risk tolerance. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and covered option writing.

NVWM may on occasion recommend third-party investment advisors or money managers who have also been approved by Cetera Advisor Networks.

Information regarding third-party registered investment advisors consists of initial due diligence requirements as follows:

- Form ADV Parts I & II
- Investment Management Agreement
- Prior performance information
- Schedule H, if part of a wrap-fee program
- Any additional information necessary to complete a review of a third-party advisor

Once a third-party investment advisor has been selected, the following information may be obtained on an annual basis:

- Quarterly and annual performance reviews
- Annual update of the Form ADV Parts I & II

### **Third-Party Portfolio Managers (TPMs)**

Clients may sign an Investment Management Agreement directly with the third-party advisor, and in this case, NVWM acts as a solicitor when making a third-party investment advisor recommendation. The client is free to terminate the relationship with the TPM according to the Investment Management Agreement signed with the TPM.

NVWM may in some instances appoint a third-party advisor as a sub-advisor when doing so is consistent with the client's current investment objectives and financial circumstances. In this case, the details of fees charged to and paid by the client will be enumerated in the Investment Management Agreement signed by the client.

NVWM adheres to the minimum requirements imposed by each third-party registered investment advisor, depending on the platform selected by the client or NVWM. Account size minimums typically start at \$250,000, although on occasion, smaller account sizes may be accepted.

Each client may restrict NVWM's selection of securities for its program by indicating such restrictions in the individual client's Investment Management Agreement or by subsequent written request to NVWM.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange-rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed-income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

NVWM has arrangements that are material to its advisory or its clients. One of its Advisory Affiliates, Reed Scott, is an attorney who owns and operates his own

law office, the Law Offices of Reed Scott. In that capacity, he advises clients and non-clients on estate planning, trusts, and various other legal questions.

Advisory Affiliates of NVWM, in their capacity as registered representatives or registered principals with Cetera Advisor Networks, make investment recommendations to clients, who may or may not also be clients of NVWM. They receive commissions and/or fees for these activities.

Some Advisory Affiliates are licensed insurance agents and in that capacity may sell insurance products to clients and non-clients. They will receive a commission in connection with insurance sales.

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**Affiliations**

NVWM has no material affiliations with related persons or entities.

## **Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading**

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**Code of Ethics**

The employees of NVWM have committed to a Code of Ethics that is available for review by clients and prospective clients. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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**Participation or Interest in Client Transactions**

NVWM and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the NVWM *Compliance Manual*.

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**Personal Trading**

Since most employee trades are small mutual-fund trades or exchange-traded fund trades, their trades do not affect the securities markets.

## **Brokerage Practices**

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**Selecting Brokerage Firms**

NVWM does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. NVWM recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

NVWM uses Charles Schwab & Co and Pershing LLC (which clears transactions for Cetera Advisor Networks) as custodians. Occasionally, a client account may

be custodied directly with a product provider. Accounts that are managed by third-party portfolio managers are custodied at the custodian that is used by TPM.

Advisory Affiliates of NVWM are registered principals or representatives with Cetera Advisor Networks Investment Corporation.

Advisory Affiliates of NVWM, in their capacity as registered representatives or registered principals with Cetera Advisor Networks, make investment recommendations to clients, who may or may not also be clients of NVWM. They receive commissions and/or fees for these activities. Some Advisory Affiliates are licensed insurance agents and in that capacity may sell insurance products to clients and non-clients. They will receive a commission in connection with insurance sales.

NVWM receives no compensation in connection with the use of Schwab or Pershing and Cetera Advisor Networks as custodian and/or broker/dealer. Both Schwab and Cetera Advisor Networks have the ability to execute transactions in a wide variety of mutual funds for clients.

For certain securities transactions, the applicant may recommend other brokers/dealers to effect trades on behalf of clients.

NVWM does not receive fees or commissions from any of these arrangements.

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**Best Execution**

NVWM relies on best execution review by Cetera Advisor Networks. It also reviews the execution of trades at each custodian to ensure that the transactions were executed. Trading fees charged by the custodians are also reviewed on a quarterly basis. NVWM does not receive any portion of the trading fees.

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**Soft Dollars**

NVWM does not receive any soft dollars.

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**Order Aggregation**

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## **Review of Accounts**

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**Periodic Reviews**

Reviews of clients' accounts are conducted quarterly. The firm tries to meet in person with each client at least annually. Reviews include analysis of the portfolio's asset allocation and individual positions together with consideration of

the impact of changes to the portfolio. Questions or concerns from the client are also addressed at this time. More frequent reviews may be conducted at the request of the client or when market conditions warrant such reviews. The firm manages accounts for approximately 200 clients.

All accounts are reviewed by Kelly Crane, president of the firm.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Regular Reports**

Investment Management clients receive written quarterly reports. The written reports may include a portfolio statement, asset allocation graphs, and investment performance reports.

## **Client Referrals and Other Compensation**

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**Incoming Referrals**

NVWM has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. The firm does not compensate referring parties for these referrals.

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**Referrals Out**

NVWM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody**

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**Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

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**Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by NVWM.

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**Net Worth Statements**

When meeting with an Advisory Affiliate, clients are provided net worth statements and net worth graphs that are generated from our client relationship management system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial

planning where the exact values of assets are not material to the financial planning tasks.

## Investment Discretion

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### Discretionary Authority for Trading

NVWM accepts discretionary authority to manage securities accounts on behalf of clients. NVWM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. NVWM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

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### Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

## Voting Client Securities

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### Proxy Votes

NVWM does not vote proxies on securities. Clients are expected to vote their own proxies or engage third parties who are unaffiliated with NVWM to vote proxies.

## Financial Information

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### Financial Condition

NVWM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because NVWM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, or six months or more in advance.

# Business Continuity Plan

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## General

NVWM has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key people.

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## Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident, and aircraft accident. Electronic files are backed up daily and archived off-site.

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## Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

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## Loss of Key Personnel

NVWM relies on other advisors in the firm to continue the business if any of its Advisory Affiliates becomes incapacitated.

# Information Security Program

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## Information Security

NVWM maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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## Privacy Notice

Napa Valley Wealth Management, Inc. (NVWM) values you as a customer and respects your right to privacy. We recognize that you have placed your trust in us, and we take the responsibility to preserve that trust. One way we endeavor to keep your trust is to properly handle your personal information.

We pledge to you that:

- Protection of your privacy is a top priority;
- Your account information and all documents you provide to us are protected in a secure environment;
- We only collect personal information in order to accomplish our customer commitments to you;

- Information about you is only used and shared in limited and controlled ways; and,
- In the event that we wish to share information about you with non-affiliated third parties, you will be given options concerning what information may be shared, and your privacy wishes will be respected. You may also choose to opt out of any information sharing.

NVWM maintains physical, electronic, and procedural safeguards to ensure that personal information we have about you is treated responsibly and in accordance with our privacy policy. We restrict access to information about you only to those representatives and employees who need to know that information in order to provide products and services to you or to conduct NVWM's business. Advisory Affiliates or employees who have access to the information may only use it for legitimate business purposes. In addition, we take steps to safeguard information about you in accordance with applicable data-security regulations.

We collect personal information about you from these sources:

- NVWM's Account Forms, applications for the purchase of various products, and other forms;
- Product vendors, as a result of your transactions with us; and/or,
- Depending on the product you are requesting to purchase, information received from consumer reporting agencies, medical providers, or others.

We may disclose the following categories of information to entities that perform administrative services on our behalf or as required or permitted by law for legal, regulatory, or other purposes:

- Information you provide directly to us on the Customer Account Form, applications, or other forms;
- Information we receive about your transactions with us or with our product providers; and/or,
- If required for the products you purchase, information received from other agencies such as: consumer reporting agencies concerning your creditworthiness, motor vehicle and driver's license reports, medical and employment information, and loss reports.

A special note about medical or health information: While we might receive medical or health information from you at the time of application for various types of insurance, we do not use it or share it—internally or externally—for any purpose other than what is directly related to the administration of your policy, account, or claim, as required or permitted by law, or as you authorize us to do.

NVWM pledges to work to protect the security of your confidential information.



## **Firm Brochure Supplement**

(Part 2B of Form ADV)

### **NAPA VALLEY WEALTH MANAGEMENT**

**1127 Pope Street, Suite 101**

**St. Helena, CA 94574**

**PHONE: (888) 883-3222**

**FAX: 707-967-3085**

**WEBSITE:**

**<http://www.napavalleywealthmanagement.com>**

This brochure supplement provides information about Kelly F. Crane, Reed Scott, Earl Knecht, and Robert Lance, which supplements the Napa Valley Wealth Management brochure. Please contact us at (888) 883-3222 if you did not receive Napa Valley Wealth Management's brochure or if you have any questions about the contents of this supplement.

Additional information about the above employees is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**DATE: JUNE 20, 2011**



## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

NVWM requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, or a JD. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Bachelor's degree from an accredited institution or equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

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**Kelly F. Crane, MBA, CFP®, CFA, CLU****Educational Background:**

- Date of birth: 1962
- California State University at Hayward – BS Business Administration, Accounting, and Finance
- Options, 1984
- College for Financial Planning – Certified Financial Planner®, 1987
- California State University at Hayward – MBA Finance, 1988
- Institute of Chartered Financial Analysts – Chartered Financial Analyst, 1991
- The American College – Chartered Life Underwriter, 1994
- Series 7, 24, 63, 65 Securities Licenses
- CA Insurance License # 0668025

**Business Experience:**

- Napa Valley Wealth Management, Inc. – President, April 1992 to Present
- Self-Employed Insurance Agent/Financial Planner – April 1990 to Present
- Cetera Advisor Networks – May 2008 to Present
- Associated Securities Corp. – February 2003 to May 2008
- Quality Wealth Management – January 1997 to February 2003
- Transamerica Financial Advisors, Inc. – November 1995 to February 2003
- New England Securities Corp. – April 1990 to November 1995
- Cetera Advisor Networks – February 1984 to April 1990

**Disciplinary Information: None****Other Business Activities:**

- Registered Principal with Cetera Advisor Networks
- Independent Insurance Agent

**Additional Compensation:**

- Brokerage Commissions
- Insurance Commissions

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**Reed Scott, JD, MBA****Educational Background:**

- Date of birth: 1955
- University of Kentucky – BS Marketing, 1978
- Western Michigan University – MBA Finance, 1982
- Golden Gate University – JD, 1999
- Golden Gate University – LLM, 2002
- Series 7, 66 Securities Licenses
- Member CA Bar, 1999

Business Experience:

- Law Offices of Reed Scott – January 2003 to Present
- Cetera Advisor Networks – May 2008 to Present
- Associated Securities Corp. – August 2005 to May 2008

Disciplinary Information: None

Other Business Activities:

- Registered Representative with Cetera Advisor Networks
- Attorney, Law Offices of Reed Scott

Additional Compensation:

- Brokerage Commissions
- Attorney Fees

Supervision:

- President Kelly Crane supervises Reed Scott. He reviews Reed Scott's work through frequent office interactions as well as remote interactions. He also reviews Reed Scott's activities through our client relationship management system.
- Kelly Crane's contact information: (888) 883-3222, info@napavwm.com

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**Earl Knecht, MS, CFP®**

Educational Background:

- Date of birth: 1977
- College for Financial Planning – MS Personal Financial Planning
- College for Financial Planning – Certified Financial Planner®, 2009
- Pacific Union College – BBA Finance, 1999
- Series 7, 24, 66 Securities Licenses
- CA Insurance License # 0D32555

Business Experience:

- Napa Valley Wealth Management, Inc. – June 1999 to Present
- Cetera Advisor Networks – May 2008 to Present
- Associated Securities Corp. – June 1999 to May 2008

Disciplinary Information: None

Other Business Activities:

- Registered Principal with Cetera Advisor Networks
- Independent Insurance Agent

Additional Compensation:

- Brokerage Commissions
- Insurance Commissions

Supervision:

- President Kelly Crane supervises Earl Knecht. He reviews Earl Knecht's work through frequent office interactions as well as remote interactions. He also reviews Earl Knecht's activities through our client relationship management system.
- Kelly Crane's contact information: (888) 883-3222, info@napavwm.com

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**Robert Lance**

Educational Background:

- Date of birth: 1954
- Cal State Chico – BS Accounting, 1977

Business Experience:

- Napa Valley Wealth Management, Inc. – April 2001 to Present
- Cetera Advisor Networks – May 2008 to Present
- Associated Securities Corp. – February 2003 to May 2008
- Transamerica Financial Advisers, Inc. – April 2001 to February 2003
- Series 7 Securities License

Disciplinary Information: None

Other Business Activities:

- Registered Representative with Cetera Advisor Networks

Additional Compensation: None

Supervision:

- President Kelly Crane supervises Robert Lance. He reviews Robert Lance's work through frequent office interactions as well as remote interactions. He also reviews Robert Lance's activities through our client relationship management system.
- Kelly Crane's contact information: (888) 883-3222, info@napavwm.com