

# Form ADV

## Part 2A

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February 3, 2015

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This brochure ("Brochure") provides information about the qualifications and business practices of Family WMS, LLC ("FWMS"). You should review this Brochure in conjunction with our separate brochure supplement ("Supplement"). The Supplement(s) has been prepared for the purpose of providing information about the qualifications and background of the supervised person(s) working with you on our behalf or who may otherwise participate in the advisory services provided to you.

If you have any questions about the contents of this Brochure or our Supplement(s), please contact us at 404.961.1051 or [leslie.allen@familywms.com](mailto:leslie.allen@familywms.com). Additional information about FWMS or any of our supervised persons (who are registered under our firm) is also available on the SEC's Investment Adviser Public Disclosure ("IAPD") which can be found at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The format/layout of this Brochure has been dictated by the SEC. As such, the Brochure's table of contents can be found after the "Material Changes" section of this Brochure, not at the beginning of the Brochure. The subsections appearing under each heading shall follow the mandated ordering of the items required to be addressed in this Brochure as set forth in the instructions and guidance issued by the SEC in regard to Part 2A of the Form ADV. FWMS' response to each such item shall immediately follow each numbered item. We encourage any reader of this Brochure to also refer to the SEC's instructions and guidance related to Part 2A of the Form ADV. Throughout this Brochure, any references to "we," "our," "ours," "us," etc. are meant to refer to FWMS.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

## **II. Material Changes**

Execution date of last annual ADV update filing: 02/03/2015

Since the filing of our most recent annual ADV update, there have been no material changes between the information previously reflected in our former Form ADV and this Brochure.

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## IV. Advisory Business

### Firm Profile

Family WMS was created to be the complete financial solution for high net worth families. Given the complexities of high net worth families, we recognize the need to consolidate professional relationships. We provide quality services with flexibility that is as unique as each of our clients.

We meet the individual goals of each of our families through the integration of our teams and services. We have assembled professionals in four core disciplines: Investment Advisory, Tax, Financial Planning and Administration.

### Years in Business

Date of formation: 3/1/2003

Date of initial investment adviser registration: 4/18/2003.

### Direct Principal Owners

The following parties maintain at least 25% direct ownership in FWMS.

- Dan M. Palmer

### IV.(B). FWMS' Advisory Services

In this section, we will describe the services we offer as well as the fees that correspond to those services. As far as investment products on which we may provide advice, those product types are identified in the grid below.

### Product Type Limitations

We generally provide investment advice in relation to the following specific types of securities/investments.

<input checked="" type="checkbox"/>	Exchange listed equities	<input checked="" type="checkbox"/>	Mutual funds (closed-end and open-end funds)
<input checked="" type="checkbox"/>	Over the counter equities	<input type="checkbox"/>	Real Estate Investment Trusts ("REITs")
<input checked="" type="checkbox"/>	Equities of foreign issuers	<input checked="" type="checkbox"/>	Exchange traded funds
<input type="checkbox"/>	Interests in privately offered securities (hedge funds, venture capital funds, private equity funds, etc.) involving any of the following: <ul style="list-style-type: none"><li>• Real estate</li><li>• Oil and gas</li><li>• Mortgages or other receivables/assets</li><li>• Other:</li></ul>	<input checked="" type="checkbox"/>	U.S. government securities
<input checked="" type="checkbox"/>	Warrants	<input checked="" type="checkbox"/>	Options on securities
<input checked="" type="checkbox"/>	Corporate debt securities (other than commercial paper)	<input checked="" type="checkbox"/>	Options on commodities
<input checked="" type="checkbox"/>	Commercial paper	<input type="checkbox"/>	Options on futures
<input checked="" type="checkbox"/>	Certificates of deposit	<input type="checkbox"/>	Futures contracts (tangibles)
<input checked="" type="checkbox"/>	Municipal securities	<input type="checkbox"/>	Futures contracts (intangibles)
<input type="checkbox"/>	Variable life insurance	<input type="checkbox"/>	Other:
<input type="checkbox"/>	Variable annuities	<input type="checkbox"/>	Other:

## Specialized Services

As designated below, we specialize in the following services. As applicable, a description of each such service is also included below.

- ☐ 1. Financial planning.  
☐ 2. Quantitative analysis.  
☐ 3. Market timing services.  
☒ 5. None. Although we may offer one or more of the services mentioned immediately above, we do not limit our services to specializing in any single service area. In the following grid(s), we will describe both the services we offer as well as other key issues related to those services.

## Our Services

Service:	<b><i>Ongoing Asset Management</i></b>																	
Service description:	<p>Our ongoing asset management services can be described as follows:</p> <p>On a non-discretionary basis, we may provide periodic recommendations to you and if such recommendations are approved/authorized, we will ensure that the authorized recommendations are carried out for you. FWMS will assist clients with the drafting and implementation of a written Investment Policy Statement (“IPS”) that will outline client’s specific goals, investment objectives, and risk tolerance. The IPS will also detail the client’s financial situation and investment experience as well as list the criteria for selection of investment vehicles and requested interval for monitoring of investment performance. FWMS will review a client’s existing holdings and various investments in order to determine which investments compliment the client’s Investment Policy Statement. FWMS will use the IPS to recommend an asset allocation, design a portfolio and discuss an anticipated rate of return. Any changes to the Investment Policy Statement and/or pertinent client information will only be made with full consent from and interaction with the client.</p>																	
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input checked="" type="checkbox"/> Securities to be bought or sold  <input checked="" type="checkbox"/> Amount of the securities to be bought or sold  <input checked="" type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Other:  <input type="checkbox"/> None         </p>																	
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <table border="1"> <thead> <tr> <th colspan="2">Asset-Based Fee Schedule</th> </tr> <tr> <th>Account(s)/Portfolio Value</th> <th>Annual Percentage</th> </tr> </thead> <tbody> <tr> <td>First \$1,000,000</td> <td>1.00 %</td> </tr> <tr> <td>Next \$3,000,000</td> <td>0.83%</td> </tr> <tr> <td>Next \$5,000,000</td> <td>0.70%</td> </tr> <tr> <td>Next \$7,000,000</td> <td>0.60%</td> </tr> <tr> <td>Next \$10,000,000</td> <td>0.50%</td> </tr> <tr> <td>Over \$26,000,000</td> <td>Negotiable</td> </tr> </tbody> </table>		Asset-Based Fee Schedule		Account(s)/Portfolio Value	Annual Percentage	First \$1,000,000	1.00 %	Next \$3,000,000	0.83%	Next \$5,000,000	0.70%	Next \$7,000,000	0.60%	Next \$10,000,000	0.50%	Over \$26,000,000	Negotiable
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Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item 12 for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>								
Fee collection:	<p>For the service described above, we receive our service fees in the following manner.</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul>								
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input type="checkbox"/> in arrears.</p>								
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as</p>								

	soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.
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Service:	<b><i>Recommendation of Other Investment Advisers</i></b>																
Service description:	<p>Under this service, we may select (on a discretionary basis) other investment advisers to provide the specific management services related to your assets (not as part of a wrap program) and in turn, we will monitor such outside investment advisers' performance with respect their management of your assets. A description of the specific services and fees available from the outside investment adviser can be found in such other investment adviser's current disclosure document(s). We will retain the authority to hire and fire such other investment advisers. Any decision to hire or fire a particular investment adviser will be based upon continued suitability and performance of the other investment adviser in relation to its management of your assets.</p> <p>FWMS will assist clients with the drafting and implementation of a written Investment Policy Statement ("IPS") that will outline client's specific goals, investment objectives, and risk tolerance. The IPS will also detail the client's financial situation and investment experience as well as list the criteria for selection of investment vehicles and requested interval for monitoring of investment performance. FWMS will review a client's existing holdings and various investments in order to determine which investments compliment the client's Investment Policy Statement. FWMS will use the IPS to recommend an asset allocation, design a portfolio and discuss an anticipated rate of return. Any changes to the Investment Policy Statement and/or pertinent client information will only be made with full consent from and interaction with the client.</p> <p>On occasion, we may recommend certain wrap programs to you. Our involvement with wrap programs is addressed below in the "Wrap Programs" section.</p>																
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input type="checkbox"/> Securities to be bought or sold  <input type="checkbox"/> Amount of the securities to be bought or sold  <input type="checkbox"/> Timing as to when such securities are to be bought or sold  <input checked="" type="checkbox"/> The engagement of other investment advisers to provide the direct management of your assets  <input type="checkbox"/> Other:  <input type="checkbox"/> None </p>																
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Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item 12 for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>								
Fee frequency/timing/ collection:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> in advance, or <input type="checkbox"/> in arrears. Additionally, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian; and/or  <input checked="" type="checkbox"/> via the other investment adviser(s) managing your assets.</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p><i>Use of other Investment Advisers:</i></p> <p>Other investment advisers recommended or selected by us generally charge their own advisory fees for managing client assets. Such fees are generally based on a percentage of the assets under management. Our fees are subject to negotiation and are part of the overall fees charged by such other investment advisers. Our compensation will not increase the overall fees charged by other investment advisers who are actively managing your assets. Additional details related to fees charged by outside investment advisers will be explained in any such adviser's disclosure document.</p>								

	<p>If another investment adviser is managing your assets, we will not bill or invoice you directly for our fees related to the recommendation or selection of other investment advisers. The fees charged by other investment advisers are assessed by such parties. Such fees may be charged in advance or in arrears; monthly, quarterly, or annually. Further, fees may be collected via the custodian or by way of direct billing by such investment adviser. Regardless of the other investment adviser's billing practices, our compensation will be received from the other investment adviser in accordance with the normal and customary billing practices as outlined in that outside investment adviser's disclosure document(s).</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.</p> <p><i>Use of other Investment Advisers:</i></p> <p>If another investment adviser(s) is used to managed your assets, any available refund process for fees that may be collected in advance will be dictated by such other investment adviser's disclosure document(s) and/or service agreement(s) with you.</p>

Service:	<b><i>Financial Planning</i></b>
Service description:	<p>If a client so desires, FWMS will prepare and provide the client with a written financial plan designed to achieve the financial goals and investment objectives set forth in the IPS. The preparation of such a plan may necessitate that the client provide FWMS with personal data such as family records, budgeting, personal liability, estate information and additional financial goals. The financial plan may include any or all of the following as requested and/or directed by the client: asset protection, tax planning, business succession, strategies for exercising stock options, cash flow, education planning, estate planning and wealth transfer, charitable gifting, long-term care and disability planning, retirement planning, insurance planning, and risk management.</p> <p>Generally, FWMS does not make recommendations for the purchase or sale of non-managed securities. However, FWMS may illustrate the impact of various investments on a client's current income tax and future tax liability and may recommend the purchase or sale of particular securities in that context for current tax benefits or estate planning.</p> <p>Should a client choose to implement the recommendations contained in the plan, FWMS suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.</p>

Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input type="checkbox"/> Securities to be bought or sold  <input type="checkbox"/> Amount of the securities to be bought or sold  <input type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Other:  <input checked="" type="checkbox"/> None </p>
Service fees:	<p>A fixed fee ranging from \$500 - \$25,000 may be charged for the preparation of a financial plan depending on the nature and complexity of each client's circumstances. The cost of all plans will be recovered through a reduction in FWMS's asset-based, investment advisory fee in an amount equal to the cost of the financial plan should the recipient of the financial plan choose to become a client of FWMS for any of our other investment advisory services.</p> <p>All fees are negotiable at our sole discretion. Specific fee arrangements will be set forth in your financial planning ("Agreement"). The fee is due and payable at the time the Agreement is executed. Generally, the financial plan will be presented to the client within 90 days of the Agreement date, provided that the client has promptly provided all information needed to prepare the financial plan.</p> <p>A 50% retainer fee is due at inception of engagement and the remainder is paid incrementally as work is completed according to a scheduled and agreed upon plan.</p>
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item 12 for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>
Fee collection:	<p>For the service described above, we receive our service fees generally by directly invoicing you. As part of our direct invoicing process, you will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.</p>
Fee frequency/timing:	<p>For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input type="checkbox"/> advance, <input type="checkbox"/> in arrears, or <input checked="" type="checkbox"/> a portion in advance and a portion in arrears.</p>
Advanced billing and refunds:	<p>As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee</p>

	already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.
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Service:	<b><i>Pension Consulting</i></b>
Service description:	<p>FWMS also provides pension fund consulting services. The initial stages of the pension fund consulting process includes providing an evaluation of the client's current investment policy guidelines to determine if they are realistic, and then creating a "Statement of Investment Policy and Objectives" that integrates the client's attitudes, objectives and requirements expressed in terms of return expectations and risk tolerance.</p> <p>The next stage of the services includes searching and presenting top investment advisors, money managers, and custodian banks whose philosophy and performance results meet the criteria set forth in the policy guidelines.</p> <p>After the initial phase of review and search, FWMS will continue to provide consulting services by monitoring investment performance on a quarterly basis and providing a performance analysis report that examines your investment results versus the client's objectives, the market averages, and other investment advisor performance. FWMS will receive monthly statements from the custodians of all funds in order to perform peer group/universal analysis and performance comparison as well as an analysis of portfolio attributes, comparative characteristics, and investment style. Furthermore, FWMS will perform annual reviews of the "Statement of Investment Policy and Objectives" and asset allocations, hold investment education seminars, and attend client and board meetings.</p> <p>As a pension consultant, FWMS does not provide any investment management services, nor does FWMS exercise any investment discretion. FWMS presents all investment recommendations to the clients' board, trustees or directors. Implementation of any and all of FWMS's recommendations is at the sole discretion of the clients' board, trustees or directors.</p> <p>All clients retain FWMS for pension consulting services by entering into a written agreement for services. The contract is cancelable without cause upon thirty days written notice by either party. If either party cancels, the fee for the current quarter will be prorated through the date of cancellation and any excess advance payment would be refunded to the client.</p> <p>The advisor fee for the pension fund consulting services is based on the market value of the client's portfolio according to the same schedule for all other investment advisory services. FWMS also may charge an hourly fee for its pension consulting services at the sole discretion of the client. Such hourly rates range from \$250 to \$500 per hour depending on the complexity of the project. Such hourly fees are payable on a monthly basis for all services provided on an ongoing basis.</p>
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input type="checkbox"/> Securities to be bought or sold  <input type="checkbox"/> Amount of the securities to be bought or sold  <input type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Other:         </p>

	<input checked="" type="checkbox"/> None																						
Service fees:	<p>For the service described above, we will charge fees in the following manner:</p> <table border="1"> <thead> <tr> <th colspan="2">Asset-Based Fee Schedule</th> </tr> <tr> <th>Account(s)/Portfolio Value</th><th>Annual Percentage</th></tr> </thead> <tbody> <tr> <td>First \$1,000,000</td><td>1.00 %</td></tr> <tr> <td>Next \$3,000,000</td><td>0.83%</td></tr> <tr> <td>Next \$5,000,000</td><td>0.70%</td></tr> <tr> <td>Next \$7,000,000</td><td>0.60%</td></tr> <tr> <td>Next \$10,000,000</td><td>0.50%</td></tr> <tr> <td>Over \$26,000,000</td><td>Negotiable</td></tr> </tbody> </table> <p>Other fee/account maintenance conditions...</p> <table border="1"> <tbody> <tr> <td>Minimum account/portfolio balance (initial):</td><td><input checked="" type="checkbox"/> None <input type="checkbox"/> \$</td></tr> <tr> <td>Minimum account/portfolio balance (ongoing):</td><td><input checked="" type="checkbox"/> None <input type="checkbox"/> \$</td></tr> <tr> <td>Minimum annual fee:</td><td><input checked="" type="checkbox"/> None <input type="checkbox"/> \$</td></tr> </tbody> </table> <p>All fees arrangements are negotiable at our sole discretion. Specific fee arrangements will be set forth in your investment advisory agreement ("Agreement") with us.</p> <p>FWMS also may charge an hourly fee for its pension consulting services at the sole discretion of the client. Such hourly rates range from \$250 to \$500 per hour depending on the complexity of the project. Such hourly fees are payable on a monthly basis for all services provided on an ongoing basis.</p>	Asset-Based Fee Schedule		Account(s)/Portfolio Value	Annual Percentage	First \$1,000,000	1.00 %	Next \$3,000,000	0.83%	Next \$5,000,000	0.70%	Next \$7,000,000	0.60%	Next \$10,000,000	0.50%	Over \$26,000,000	Negotiable	Minimum account/portfolio balance (initial):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$	Minimum account/portfolio balance (ongoing):	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$	Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$
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Minimum annual fee:	<input checked="" type="checkbox"/> None <input type="checkbox"/> \$																						
Other fees:	<p>In addition to our service fees, you may be assessed other fees by parties independent from us. You may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (i.e. advisory fees, administrative fees, and other fund expenses.) Brokerage fees/commissions charged to you for securities trade executions may be billed to you by the broker-dealer or custodian of record for your account, not us. Any such fees are exclusive of, and in addition to our compensation. You will be solely and directly responsible for all fees, including fees other than those we may bill directly to you.</p> <p>Refer to Item V.(E) and Item 12 for additional information regarding other fees such as sales compensation, brokerage fees, custodial fees, etc.</p>																						
Fee collection:	<p>For the service described above, we receive our service fees by the following method(s):</p> <p><input checked="" type="checkbox"/> automatic fee deduction via the custodian; and/or  <input checked="" type="checkbox"/> direct invoice to you.</p> <p><i>Billing Via Custodian.</i></p> <p>Contemporaneously with the execution of the Agreement, you will be asked to sign an authorization that will allow the custodian of any of your account(s) to debit the account(s) the amount of our service fees and remit the fee to us. The authorization will remain valid unless and until we receive a written revocation of such authorization from you. In connection with this fee deduction process, the custodian will send you a</p>																						

	<p>statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> <li>• all amounts disbursed from the account, and</li> <li>• the amount of advisory fees paid directly to us.</li> </ul> <p><i>Direct billing.</i></p> <p>If so desired, you may choose to be billed directly by us for our service fees. As part of our direct invoicing process, you will be invoiced by the fifth business day of the month subsequent to the most recently ended billing period. Payments are due on or by the final business day of the month in which the invoice is generated.</p>
Fee frequency/timing:	For the service described above, the frequency and timing of our fee collection process occurs as follows: <input checked="" type="checkbox"/> quarterly, <input type="checkbox"/> monthly, <input checked="" type="checkbox"/> advance, or <input checked="" type="checkbox"/> arrears (in the case of hourly billing).
Advanced billing and refunds:	As described above, our advisory fees may be charged in advance. Fees paid in advance will be considered earned and non-refundable to you up to the effective termination of the Agreement as the termination process is described in the Agreement. Upon receipt of a proper notice of termination ("Termination Notice") as described in the Agreement, we will calculate a prorata refund of any fees not yet earned by us after the effective termination date of the Agreement. The prorata refund will equal the total number of calendar days remaining in the billing period after the date of the termination of the Agreement to the end of that billing period divided by the total number of calendar days in that billing period. The result of that calculation will be multiplied by the total fee already paid for that billing period. The result of that calculation will represent the refund owed to you. Refunds of advance payments owed back to you shall be paid as soon as reasonably possible but not sooner than ten (10) business days after our receipt of a proper Termination Notice.

Service:	<b><i>Accounting Services</i></b>
Service description:	<p>If a client so desires, FWMS will provide clients with any or all of the following accounting services: bookkeeping, tax return preparation, tax planning, tax minimization planning, consolidation of financial statements, consolidation of investment reporting, and payroll tax administration.</p> <p>All of these services are provided to clients without FWMS having any custody of the client's assets. FWMS has no signatory authority and no access to clients' assets or funds. FWMS provides bill pay services by assisting clients in setting up automatic bill paying relationships between the clients' debtors and banks. If any payments cannot be paid by method of an automatic draft, then FWMS will set up a wire transfer that must be signed by the client. FWMS does not have possession any client's checkbook and does not have access to the funds in any type of account that a client may have.</p>
Use of discretion:	<p>Depending on your individual needs and the services you request of us, we may exercise full discretion as to the following elements.</p> <p> <input type="checkbox"/> Securities to be bought or sold  <input type="checkbox"/> Amount of the securities to be bought or sold  <input type="checkbox"/> Timing as to when such securities are to be bought or sold  <input type="checkbox"/> Other:  <input checked="" type="checkbox"/> None </p>

Service fees:	The payment for the services described in this section is covered under the investment advisory fee for any other services described above. No additional fee will be charged for receipt of such services so long as the services are related to the client and the client's assets that are managed by FWMS.
Other fees:	Not applicable.
Fee collection:	Not applicable.
Fee frequency/timing:	Not applicable.
Advanced billing and refunds:	Not applicable.

#### **IV.(C). Customization of Advisory Services**

To the fullest extent possible, we will endeavor to tailor our advisory services to meet the specific needs of each and every client. In order to determine a suitable course of action for an individual client, we will perform a review of our clients' financial circumstances. Such review may include, but would not necessarily be limited to, investment objectives, consideration of a client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to a client's particular circumstances.

In making investment recommendations on behalf of a client, we will rely on a data gathering document or other questionnaire, which would be completed based on information provided by a client.

Our clients are free to impose any restrictions or other conditions with regard to how we provide our advisory services. If we agree to such restrictions and/or conditions, please be advised that restrictions and guidelines imposed by a client may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and a client should not expect that the performance of a custom portfolio will be identical to any other individual's portfolio performance) as well as any recommendations provided to the client.

#### **IV.(D). Wrap Fee Program Participation**

FWMS does not provide any services in connection with wrap programs.

#### **IV. (E). Assets Under Management<sup>1</sup> ("AUM")**

AUM (discretionary): \$ 343,200,000  
AUM (non-discretionary): \$ 57,800,000  
Total AUM<sup>2</sup>: \$ 401,000,000  
Date of AUM calculation: 12/31/2014

### **V. Fees and Compensation**

#### **V.(A). FWMS Advisory Fees**

Refer above to Item IV.(B).

<sup>1</sup> The term, "assets under management" shall carry the same meaning as that term is defined by Form ADV.

<sup>2</sup> Rounded to the nearest \$100,000

## **V.(B). Fee Collection Process**

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Refer above to Item IV.(B).

## **V.(C). Other Fee/Expenses.**

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Refer above to Item IV.(B).

## **V.(D). Fees Charged in Advance**

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Refer above to Item IV.(B).

## **V.(E). Additional Compensation**

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Item V.(E) requires us to address situations in which we or any of our supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Neither we, nor any of our supervised persons are party to such arrangements.

Certain individuals who are associated with us, if properly registered and licensed to do so, may also receive compensation (i.e. commissions) related to the sale of securities or other investment products. Transaction-based compensation (“Additional Compensation”) such as this is separate and distinct from the other fees we may receive in connection with our investment advisory services as described above in Item IV.(B). Neither we, nor any of our supervised persons are party to such arrangements.

### **V.(E).(1). Conflicts of Interest**

The instructions in the Form ADV require us to tell you that the receipt or potential for the receipt of Additional Compensation gives our supervised persons an incentive to recommend investment products based on the Additional Compensation received, rather than on your specific needs. Although we are obligated to tell you this, our objective as a firm, which is shared by our supervised persons, is to place nothing before your best interests.

*How we address these conflicts.* First and foremost, we address the conflicts described above in relation to Additional Compensation by disclosing them to you in this Brochure as well as your representative’s Brochure Supplement. As a matter of general policy, we aggressively discourage activities that put your interests anywhere but first. Additionally, we have instituted a comprehensive supervisory process, detailed in our Written Supervisory Procedures (“WSPs”) that was designed to address, among other things, conflicts of interest such as Additional Compensation. In addition, we have designated a Chief Compliance Officer, as set forth on Schedule A of our Form ADV, to be the party responsible for the overall application and oversight of our supervisory process and our WSPs. Our Chief Compliance Officer has the authority to delegate certain supervisory responsibilities to other supervised persons within our firm in order to ensure that our overall system of supervision is being adequately carried out and in a timely manner.

The potential conflict of interest resulting from the Additional Compensation described above is commonplace in the investment industry and we believe that such arrangements are not only appropriate but that they are proper in light of the added examination, licensing, registration, and other regulatory oversight that also takes place in the brokerage area of the investment industry. Our supervised persons have satisfied various regulatory examination and registration requirements that allow not only for the offering of the types of products and services described in the information related to the Additional Compensation described above but also the receipt of the normal and customary compensation that any similarly registered, licensed, and qualified person could receive in the form of sales compensation for those same products/services.

Bear in mind that even if our supervised persons were not registered/licensed to sell the types of products/services addressed in the preceding section, the majority of your investments or transactions involving such products would still result in you paying some sort of commission for those products. In the case of our supervised persons, their



active registration/licensing may allow them to be able to receive such Additional Compensation as opposed to the executing financial institution keeping that compensation exclusively for itself.

Any Additional Compensation received by our supervised persons in connection with the products/services described in the preceding section is deemed routine and customary compensation for such activities and is not believed to be inappropriate.

*Procedures for disclosing these conflicts.* In an effort to inform you of these conflicts of interest, we have prepared this Brochure and have provided it to you, in part, for the purpose of disclosing these conflicts. You are always welcome to request a current copy of our Brochure. We are obligated to provide you a copy of this Brochure no later than the time you sign our Agreement and on an annual basis, we are required to provide you either (1) a copy of our current Brochure or (2) a set of instructions as to how you can request a copy of our current Brochure.

If we recommend mutual funds to our clients, we may often or occasionally recommend no-load funds.

### **V.(E).(2). Client-Directed Brokerage**

You have the ability to purchase investment products that we recommend through any broker-dealer or other financial institution you choose. If you choose to use a firm other than the broker-dealer(s) we may normally recommend, we may not be able to properly monitor your assets and therefore we cannot be held responsible for the success or failure of any investment products or strategies that you implement at firms other than those we recommend. In other words, our services and responsibilities will not apply to transactions you effect on your own whether through firms you choose on your own or through any broker-dealer we may recommend.

### **V.(E).(3). Brokerage Compensation**

FWMS is not registered as a broker-dealer and thus, it does not receive transaction –based compensation for securities-related activities.

### **V.(E).(4). Advisory Fee Offset**

In the event that we or our supervised persons receive compensation other than our advisory fees as described above in Item V.(A), we will not adjust our advisory fees to offset those other fees.

## **VI. Performance-Based Fees and Side-By-Side Management**

We do not charge performance-based fees.

## **VII. Types of Clients**

We will generally provide our services to the following types of clients.

- Individuals
- High net worth individuals
- Pension plans / profit sharing plans
- Foundations / charitable organizations
- Trusts
- Estates
- Business or corporate entities

For information on any minimum fees, minimum initial/ongoing account balances, or other conditions we may impose, please refer to Item IV.(B).

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

### **VIII.(A). Methods of Analysis**

In the course of our management process and as appropriate on a case by case basis, we will employ some or all of the following methods of analysis. For a description of the risks related to each particular method of analysis, see the information following each analysis method description. The codes used below relate to risks described further below in this section.

#### **Charting / Technical –**

The terms “charting” and “technical” analysis are generally used synonymously and therefore, for the purpose of this document, we will use the term, “technical analysis.” In most cases, technical analysis involves the evaluation of historical market data such as price and volume of a particular security or investment instrument. Technical analysis often times involves the use of charts, graphs, and other tools to evaluate historical factors relating to the investment instrument and perhaps the market as a whole. The goal of technical analysis is to try to identify historical trading patterns that suggest future trading activity or price targets.

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Market Risk, Operational Risk, and Strategy Risk.

#### **Fundamental**

Fundamental analysis is generally the considered the opposite approach to technical analysis. Fundamental analysis involves the attempt to identify the intrinsic value (i.e. the actual, true/real value) of an investment instrument by examining any related economic, financial, and other quantitative/qualitative factors relevant to that instrument. Fundamental analysis can take into account anything that may impact the underlying value of the instrument. Examples of such things may include large-scale economic issues such as the overall condition or current cycle of the economy, industry-specific or sector-specific conditions, etc. Other company/issuer-specific factors may also be taken into consideration such as the company’s/issuer’s current financial condition, management experience and capabilities, legal/regulatory matters, the overall type and volume of current and expected business, etc.

One of the goals of fundamental analysis is to attempt to derive a value that can be compared to the current market price for a particular financial instrument in hopes of determining whether the instrument is overpriced (time to sell) or underpriced (time to buy).

Key risk(s): Economic Risk, Financial Risk, Inflation Risk, and Interest Rate Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

### **VIII.(A). (cont.) Investment Strategies**

In the course of our management process and as appropriate on a case by case basis, we will employ any of the following investment strategies. For a description of the risks related to each particular investment strategy, see the information following each strategy description. The codes used below relate to risks described further below in this section.

### **Long-Term Purchases**

Long-term purchases generally involve the acquisition of an investment instrument and holding it for a period of at least one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Inflation Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

### **Short-Term Purchases**

Short-term purchases generally involve the acquisition of an investment instrument and holding it for a period of not more than one year.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

### **Margin Trading**

Margin trading, or “trading on margin,” as it is generally stated, involves the ability to purchase a dollar value of securities that is greater than the dollar value of funds you have available for the purchase. Essentially, trading on margin means that you can borrow additional funds, generally from the firm that holds your brokerage account, to purchase investment instruments that exceed the amount with which you have funded your account.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

### **Option Writing** (including covered/uncovered options or spreading strategies)

We will also employ the use of options trading in the event that such trading complements an investment strategy we may be carrying out for a particular client. An option is the right either to buy or sell a specified amount or value of a particular underlying investment instrument at a fixed price (i.e. the “exercise price”) by exercising the option before its specified expiration date. Options giving you the right to buy are called “call” options. Options giving you the right to sell are called “put” options. When trading options on behalf of a client, we may use covered or uncovered options or various strategies such as spreads and straddles. Covered options involve options trading when you own the underlying instrument on which the option is based. Uncovered options involve options trading when you do not own the underlying instrument on which the option is based. Spread options are options whose values are derived from the difference in price of two different underlying assets or components.

Key risk(s): Capital Risk, Economic Risk, Financial Risk, Higher Trading Costs, Interest Rate Risk, Legal/Regulatory Risk, Liquidity Risk, Market Risk, Operational Risk, Strategy Risk.

Investing in securities or other investment products involves the risk of loss and you should be prepared to bear such losses.

## **VIII.(B). Risk Disclosures**

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### **Capital Risk**

Capital risk is one of the most basic, fundamental risks of investing; it is the risk that you may lose 100 percent of your money. All investments carry some form of risk and the loss of capital is generally a risk for any investment instrument.

### **Credit Risk**

Credit risk can be a factor in situations where an investment’s performance relies on a borrower’s repayment of borrowed funds. With credit risk, an investor can experience a loss or unfavorable performance if a borrower does not repay the borrowed funds as expected or required. Investment holdings that involve forms of indebtedness (i.e. borrowed funds) are subject to credit risk.

### **Currency Risk**

Fluctuations in the value of the currency in which your investment is denominated may affect the value of your investment and thus, your investment may be worth more or less in the future. All currency is subject to swings in

valuation and thus, regardless of the currency denomination of any particular investment you own, currency risk is a realistic risk measure. That said, currency risk is generally a much larger factor for investment instruments denominated in currencies other than the most widely used currencies (U.S. dollar, British pound, German mark, Euro, Japanese yen, French franc, etc.).

### **Economic Risk**

The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

### **Financial Risk**

Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the dot com companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

### **Higher Trading Costs**

For any investment instrument or strategy that involves active or frequent trading, you may experience larger than usual transaction-related costs. Higher transaction-related costs can negatively affect overall investment performance.

### **Inflation Risk**

Inflation risk involves the concern that in the future, your investment or proceeds from your investment will not be worth what they are today. Throughout time, the prices of resources and end-user products generally increase and thus, the same general goods and products today will likely be more expensive in the future. The longer an investment is held, the greater the chance that the proceeds from that investment will be worth less in the future than what they are today. Said another way, a dollar tomorrow will likely get you less than what it can today.

### **Interest Rate Risk**

Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired or has acquired the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

### **Legal/Regulatory Risk**

Certain investments or the issuers of investments may be affected by changes in state or federal laws or in the prevailing regulatory framework under which the investment instrument or its issuer is regulated. Changes in the regulatory environment or tax laws can affect the performance of certain investments or issuers of those investments and thus, can have a negative impact on the overall performance of such investments.

### **Liquidity Risk**

Certain assets may not be readily converted into cash or may have a very limited market in which they trade. Thus, you may experience the risk that your investment or assets within your investment may not be able to be liquidated quickly, thus, extending the period of time by which you may receive the proceeds from your investment. Liquidity risk can also result in unfavorable pricing when exiting (i.e. not being able to quickly get out of an investment before the price drops significantly) a particular investment and therefore, can have a negative impact on investment returns.

**Market Risk**

The market value of an investment will fluctuate as a result of the occurrence of the natural economic forces of supply and demand on that investment, its particular industry or sector, or the market as a whole. Market risk may affect a single issuer, industry or sector of the economy or may affect the market as a whole. Market risk can affect any investment instrument or the underlying assets or other instruments held by or traded within that investment instrument.

**Operational Risk**

Operational risk can be experienced when an issuer of an investment product is unable to carry out the business it has planned to execute. Operational risk can be experienced as a result of human failure, operational inefficiencies, system failures, or the failure of other processes critical to the business operations of the issuer or counter party to the investment.

**Past Performance**

Charting and technical analysis are often used interchangeably. Technical analysis generally attempts to forecast an investment's future potential by analyzing its past performance and other related statistics. In particular, technical analysis often times involves an evaluation of historical pricing and volume of a particular security for the purpose of forecasting where future price and volume figures may go. As with any investment analysis method, technical analysis runs the risk of not knowing the future and thus, investors should realize that even the most diligent and thorough technical analysis cannot predict or guarantee the future performance of any particular investment instrument or issuer thereof.

**Strategy Risk**

There is no guarantee that the investment strategies discussed herein will work under all market conditions and each investor should evaluate his/her ability to maintain any investment he/she is considering in light of his/her own investment time horizon. Investments are subject to risk, including possible loss of principal.

## VIII.(C). Investment-Specific Risks

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There is no single type of investment instrument that we predominantly recommend, however, please be mindful that all investments carry some form and degree of risk. Certain types of investments carry greater types and levels of risk than others and you should make sure that you fully understand not only the investment product itself but also the attendant risk factors associated with such products.

## IX. Disciplinary Information

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The purpose of this section is for us to disclose to you any legal, disciplinary, or other events that you may consider material in your evaluation of our firm or the integrity of our management. Following each of the numbered items below, we shall provide details as to each applicable matter or we will answer "No" or "N/A." This information is presented in a question and answer format. The time period required to be covered by our answers in this section is ten years from the date of the events requiring disclosure.

### IX.(A). Criminal or Civil Action

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In any domestic, foreign, or military court of competent jurisdiction, has FWMS or any of its management persons...		
Been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been identified as the named subject of a pending criminal proceeding that involves an investment-related business, fraud,	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses?		
Been found to have been involved in a violation of an investment-related statute or regulation; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Been the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### **IX.(B). Administrative Proceedings**

Has FWMS or any of its management persons been the subject of an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which FWMS or any of its management persons...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority...		
denying, suspending, or revoking the authorization of FWMS or one of its management persons to act in an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
barring or suspending FWMS or one of its management person's association with an investment-related business;	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
otherwise significantly limiting FWMS or one of its management person's investment-related activities; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
imposing a civil money penalty of more than \$2,500 on FWMS or one of its management persons?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

### **IX.(C). SRO Proceedings**

Has FWMS or any of its management persons been involved in a SRO proceeding in which FWMS or any of its management persons ...		
Was found to have caused an investment-related business to lose its authorization to do business; or	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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

The following information will address any active or pending financial industry affiliations that you need to know about for the purpose of identifying any related conflicts of interest that you might consider material in regard to letting us handle your investment advisory needs.

## **X.(A). Broker-Dealers**

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Neither FWMS nor any of its management persons is registered as a broker-dealer nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as a broker-dealer. Further, none of our management persons are registered as or currently seeking registration as a registered representative of a broker-dealer.

## **X.(B). Futures Commission Merchants, Introducing Brokers, Commodity Trading Advisors, Commodity Pool Operators**

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Neither FWMS nor any of its management persons is registered as a futures commission merchant, an introducing broker, a commodity trading adviser, or a commodity pool operator, nor do either parties have an application pending or otherwise in process for the purpose of seeking registration as any of these types of firms. Further, none of our management persons are registered as or currently seeking registration as associated persons of any of these types of firms.

## **X.(C). Related Persons**

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We do not have any relationship or arrangement that is material to our advisory business or our clients that we or any of our management persons have with any party that is a related person of ours and who is a broker-dealer, municipal securities dealer, government securities dealer/broker, investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund), other investment adviser or financial planner, futures commission merchant, introducing broker, commodity pool operator, commodity trading advisor; banking or thrift institution; accountant or accounting firm, lawyer or law firm, insurance company or agency, pension consultant, real estate broker or dealer, or a sponsor or syndicator of limited partnerships.

## **X.D Use of Other Investment Advisers**

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From time to time, we may recommend or select other investment advisers for you and in return, we will receive compensation (i.e. solicitor/referral fees) from those other investment advisers. In these cases, we will generally enter into a formal, written agreement (i.e. a solicitor agreement) with such other investment advisers. These sorts of arrangements are often times referred to as “solicitor arrangements” and under such arrangements, we would be serving the role of solicitor for the other investment adviser.

As a result of these such arrangements, we may be incentivized to recommend only the investment advisers from whom we receive solicitor/referral fees as opposed to another investment adviser from whom we do not receive such fees. We continually monitor other investment advisers that we might recommend under a solicitor arrangement in the event that such investment advisers are not meeting the standards that we believe meet your needs, we will seek other investment advisers that may be a better fit for your specific management needs.

Additional details about any such arrangement can be found in the applicable solicitor disclosure document that we are obligated to provide to each of our clients that we may refer to any other investment adviser under one of these solicitor arrangements. You are always welcome to request a copy of our current solicitor disclosure document for any investment adviser that we may have recommended or selected for you.

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

### **XI.A Code of Ethics**

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We take great pride in our commitment to serving our clients' needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients. We have developed a Code of Ethics ("Code") as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- The addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm's IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of our representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.

### **XI.(B) Participation in Client Trading**

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The information in this item is intended to address situations in which we or one of our related persons may have a material financial interest in the investment instruments we may recommend to you.

No such arrangements exist.

### **XI.(C) Trading Alongside Our Clients**

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On occasion, we may invest for our own accounts or have a financial interest in the same securities or other investments that we recommend or acquire for the accounts of our clients. Further, we may also engage in transactions that are the same as or different than transactions recommended to or made for our client's accounts. Such transactions are permitted if effected, pre-cleared and reported in compliance with our policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of a client. Our Designated Supervisor reviews reports of personal transactions in securities by all of our associated persons quarterly or more frequently if required.

#### Investment Policy

None of our associated persons may effect for himself/herself or for accounts in which he/she holds a beneficial interest, any transactions in a security which is being actively recommended to any of our clients, unless in accordance with the following procedures.

#### Firm Procedures

In order to implement our Investment Policy, the following procedures have been put into place.

- 1) If we are recommending that any of our clients buy any security, no associated person may purchase that security prior to a client's purchase of that security; and



- 2) If we are recommending that any of our clients sell any security, no associated person may sell that security prior to a client's sale of that security.

As an alternative to the procedures described in the preceding points, we may include our own order(s) in a batch order with other client orders that would involve average pricing for the entire batch such that we would receive the same pricing as all other clients participating in the batch.

It is the primary intent of these procedures to ensure that the best interests of our clients are always served over that of our own. Trading on our own behalf that results in our own interests being served over that of our clients could be considered a breach of our fiduciary duty and thus, is aggressively discouraged.

## **XI.(D) Batch Trading**

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Transactions for the client's account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or "batch" such orders in order to obtain best execution or to negotiate more favorable transaction rates.

To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

## **XII. Brokerage Practices**

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The purpose of this Item is to present to you the factors that we take into consideration when (1) selecting or recommending broker-dealers to you for the purpose of effecting transactions on your behalf and (2) for determining the reasonableness of such broker-dealers' compensation related to such transactions.

### **XII.(A).(1). Research and Soft Dollar Benefits**

Soft dollar benefits are items such as research or other products or services (other than the typical execution and other brokerage services available to all other investment advisers) that we may receive from a broker-dealer or other party in connection with the client securities transactions we direct to that/a broker-dealer(s).

We do not participate in any soft dollar arrangements.

### **XII.(A).(2). Brokerage for Client Referrals**

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In certain circumstances, firms like ours may receive client referrals as a result of recommending particular broker-dealers or other service providers. We, however, do not participate in any formal arrangements wherein we receive client referrals from any particular broker-dealer in return for selecting or recommending such broker-dealer.

### **XII.(A).(3). Directed Brokerage**

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This item is intended to address situations where we may recommend, request, or require you to provide us instructions as to how to direct brokerage activity on your behalf.

#### ***XII.(A).(3)(a). Directed Brokerage – Recommended, Requested, or Required***

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer. We do not routinely recommend, request, or require that you direct us as to how to execute brokerage transactions on your behalf (i.e. using a particular broker-dealer for execution purposes).

### ***XII.(A).(3)(b). Directed Brokerage – Permitted***

Not all investment advisers require their clients to direct brokerage activity through any particular broker-dealer, however, you may direct us to use a particular broker-dealer (subject to our right to decline and/or terminate the engagement) to execute some or all transactions for your account or otherwise on your behalf. In such an event, we will not negotiate terms and arrangements for the account with the other broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to “batch” the transactions for execution through other broker-dealers with orders for other accounts we manage. As a result, you 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.

### **XII.(B). Order Batching**

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Transactions for the client’s account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at the same or approximately the same time. We may (but are not obligated to) combine or “batch” such orders in order to obtain best execution or to negotiate more favorable transaction rates. Reasoning for attempting to effect a batch order is that we may need to trade in the same security for multiple accounts at or around the same time and batching may allow us to achieve a more favorable price on average for all clients. Batching, however, doesn’t guarantee the lowest possible price for execution, however, it is intended to reduce the overall volatility in execution price for a large # of orders that if not batched together, may experience significantly different execution prices. Conversely, in the event that we do not batch a group of orders that otherwise may be a prime candidate for a batched order, the resulting cost for some clients may be higher or lower than what we might be able to achieve by processing a batched order for the benefit of those same clients.

To the extent that we elect to aggregate client orders for the purchase or sale of securities, including securities in which our associated persons may invest, we will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* We will not receive any additional compensation or remuneration as a result of a batched order.

## **XIII. Review of Accounts**

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### **XIII.(A). Review of Accounts or Financial Plans**

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#### **Review of client accounts.**

All accounts are assigned to Leslie Allen, President, Chief Investment Officer and Chief Compliance Officer. She reviews clients' investment accounts at least monthly or more frequently as determined in the client's individual Investment Policy Statements. These reviews will consist of a general overview of the client's account to monitor performance of the money managers or individual investments as well as whether the manager has remained true to the intended investment style. These factors are measured against the client's risk/return model. Account rebalancing may occur on a monthly basis if the client requests. Account re-balancing is performed at least annually. As Ms. Allen supervises the clients' portfolios, she will make recommendations to the clients concerning money manager changes or changes in asset allocation based upon market conditions and changes in the client's risk tolerance and/or investment objectives. Ms. Allen meets with clients over the phone or in person at least annually or more frequently as determined by the clients' Investment Policy Statement. At these annual reviews, she looks at the clients' total financial situation with Scott Shows (CFO), Stephen House (Director of Tax).

#### **Review of Financial Plans.**

Unless specifically engaged to do so, we do not periodically review financial plans that we have prepared for clients.

### **XIII.(B). Non-Periodic Account Reviews**

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Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her accounts, where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a client account.

### **XIII.(C). Reports to Clients**

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Reports on each of the clients' portfolios will be sent to clients on a quarterly basis. Comprehensive reports will be sent to clients on an annual basis. Both quarterly and annual reports will be generated through Advent Inc. The Advent reports include: current asset allocations by asset class, portfolio's total return, risk adjusted returns, and a technical evaluation of the current portfolio. The technical evaluation includes but is not limited to the following: alpha, beta, standard deviation, peer group, r-squared, and style tracking error. The cost of these reports is included in the investment advisory fee.

## **XIV. Client Referrals and Other Compensation**

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### **XIV.(A). Compensation we Receive**

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Certain of our associated persons, when acting as registered representatives of a broker-dealer, may receive selling compensation from such broker-dealer as a result of the facilitation of certain securities transactions on your behalf through such broker-dealer.

Arrangements involving someone's receipt of both advisory and brokerage or other compensation in connection with the advisory services we provide to you can be considered "double-dipping." That term carries negative connotations but in the financial services industry, it is not only acceptable but is completely appropriate and within the permissible activities of those individuals and entities who are properly registered and licensed to engage in such activities. You should be aware that some investment advisers do not receive brokerage or other compensation for transactions they may effect on your behalf and as a result of dealing with other firms, you will not necessarily pay any less for the same services that you may receive from us, however, the individual that you may deal with or his/her sponsoring firm may not be eligible to receive brokerage or other compensation other than the investment advisory compensation that you would normally expect to pay an investment adviser for the same services.

The general industry standard for a client's overall annual fee for investment advisory services is a cap of 3.0%. This means that most investment advisers will keep their service fees for investment advisory work below 3.0% (of the assets they have been engaged to manage) on an annual basis. That said, a client could easily pay in excess of 3.0% of the assets that their investment adviser has been engaged to manage in light of other fees such as brokerage fees/commissions, execution costs, custodial fees, etc. We routinely monitor our fees to ensure that they are not only consistent with those found in the industry for similar services, but we also review our fees for the purpose of ensuring that our billing practices are consistent with the provisions set for in your advisory agreement with us.

### **XIV.(B). Compensation we Pay**

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We are not party to any arrangements whereby other parties refer prospective investment advisory clients to us where we in turn, pay such parties for those referrals.

## **XV. Custody**

We engage in certain activities that result in us being deemed to have custody of certain of our client's funds and/or securities.

- ☒ Automatic fee deduction from your brokerage or other trading accounts
- ☐ Physical possession or control (even temporary) of client funds or securities
- ☐ The ability to gain access to any client funds and/or securities
- ☐ One of our related persons has custody of funds and/or securities subject to our investment advisory services
- ☐ We or one of our related persons serves as the general partner, managing member, or other similar type of control person to an investment fund to which we provide investment advisory services.

As stated previously in Item XIII.(C), your account statements will be provided by the qualified custodian that maintains physical possession of your accounts/assets. In the event that we also provide you information related to your accounts, you are urged to review that information to the information contained on the account statements or other statements received from the qualified custodian.

## **XVI. Investment Discretion**

In connection with our investment advisory services, we will not exercise discretionary authority.

## **XVII. Voting Client Securities**

### **XVII.(A). Proxy Voting**

#### **Proxy Voting Policies and Procedures and Client Instruction**

We do not vote proxies on behalf of any securities you own.

### **XVII.(B). Proxy Voting**

Since you have not authorized us to vote proxies on your behalf, we will not do so. Proxies related to the securities you own will be disseminated as dictated by the issuer, transfer agent, or as otherwise set forth in the account opening paperwork you completed for the custodian holding your account/assets. If you have questions related to a particular proxy notice, please call us at 404-961-1051.

## **XVIII. Financial Information**

### **XVIII.(A). Balance Sheet**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. As a result, we are not required to provide our clients with a copy of our balance sheet from our most recently completed fiscal year.

### **XVIII.(B). Adverse Financial condition**

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In the event that we have discretionary authority or custody of any of our clients' assets or if we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we are required to disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments with our clients. No such conditions exist.

### **XVIII.(C). Bankruptcy-Related Matters**

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During the past ten years, FWMS has not been the subject of a bankruptcy petition.

## **XIX. Requirements for State-Registered Advisers**

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As a federally-registered investment adviser, this section of our Brochure is not applicable to us.