



## **Family Wealth Consultants, Inc.**

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**[www.fwcg.net](http://www.fwcg.net)**

**June 15, 2012**

### **FORM ADV PART 2A BROCHURE**

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This brochure provides information about the qualifications and business practices of Family Wealth Consultants, Inc. If you have any questions about the contents of this brochure, please contact us at (408) 453-2220. 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 Family Wealth Consultants, Inc is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Family Wealth Consultants, Inc is 128494.

Family Wealth Consultants, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Family Wealth Consultants, Inc. will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

Since our last annual amendment filed in March 2012, Family Wealth Consultants, Inc. has commenced its transition from SEC registration and will be a state registered investment adviser.

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## Item 4 Advisory Business

Family Wealth Consultants, Inc. ("FWC") is a registered investment adviser based in San Jose, CA. We are organized as a corporation under the laws of the State of California. We have been providing investment advisory services since 2003. Craig L. Martin, President/CCO is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Portfolio Management Services**
- **Family Wealth Planning Services/Consulting Services**
- **Planning Services for 401(k) Plans**

As used in this brochure, the words "we", "our" and "us" refer to Family Wealth Consultants, Inc. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

### ***Portfolio Management Services***

We provide Family Wealth Portfolio Management and Consulting Services for selected clients. Our Planning Team is experienced and trained to listen to your needs, wants, goals, and values. To best utilize the expertise of our team, a first step is for specially trained principals on our team to assist you in designing and drafting a Legacy Statement clearly explaining your goals, visions and values. The Legacy Statement then forms the architecture of a goal oriented consultation with you. Using this Legacy Statement the planning team will then help you make informed choices about the tax and economic consequences of the many decisions in accomplishing your Legacy Statement.

Our Planning Team utilizes your existing professional team, in addition to using our own experienced professionals, in designing and assisting in implementation a mutually agreed and effective plan that coordinates estate and income tax planning with investments and cash flow. Our Planning Team is best described as acting as your Personal Chief Financial Officer. We have more than 30 years experience in this complex knowledge base working with many of the existing professionals in the community. We recognize that all planning is dynamic. If desired a, you will be offered a web based Private Client Portal over which we communicate reports of our mutual planning decisions with updates as available. The Portal can become a constant source of reporting and communication with the planning team and with you.

Our Planning Team represents you in finding the best solutions to your desired goals. No one solution fits all situations. With our experience in this industry, we find the best providers for each unique solution. You can be assured that we are independent so all solutions are considered. All choices are considered and presented that our Planning Team would consider the best fit for you.

We provide continuous portfolio management services generally on a non-discretionary basis. As part of our portfolio management services, we may also offer to you access to a network of third-party asset management providers (TPAMPs), including but not limited to, Loring Ward Advisor Services and Aspen Partners, Inc. All TPAMPs to whom we might refer you to must be either a state licensed investment adviser or a registered investment adviser with the Securities and Exchange Commission.

We utilize the services of a third party, Loring Ward Advisor Services ("LWAS"), a division of LWI Financial Inc., to assist in the development of your portfolio(s) and to provide asset allocation models that are custom tailored to meet your needs and investment objectives. Portfolios consist of equity securities, mutual fund shares, corporate debt securities, municipal securities, US government securities, and/or interest in partnerships, among others, if we determine such investments to be in your best interests. Once the portfolio is constructed, we will provide continuous supervision and re-optimization of the portfolio using the technology provided by LWAS. We will make all the final investment decisions for you based on the rebalancing calculations provided on the LWAS platform.

We will, among other things, make recommendations regarding the suitability of a TPAMP or investment style based on, but not limited to, your long-term goals, risk tolerance, time horizon, account profile, investment objectives and/or financial situation. In addition to evaluating and recommending TPAMPs to you, we will gather information from you about your financial situation and investment objectives. We will then monitor the TPAMP's performance; reviews reports provided to you; make contact with you at least annually to review your financial situation and objectives, and assists you in understanding and evaluating the services provided by the TPAMP. You are reminded to promptly notify us of any material change in your financial situation and/or investment objectives.

The TPAMP will actively manage your equity portfolio and will assume investment discretionary and trading authority over the managed account. We will not manage or obtain investment discretion or trading authority over the assets in any client's managed account. However, we will assume discretionary authority to hire and fire TPAMPs and reallocate your assets to other TPAMPs, where such action is deemed to be in your best interest.

Fees paid by you to TPAMPs are separate and distinct from the fees the client pays to us. The TPAMP's fees are established and payable in accordance with the Form ADV Part 2A or other equivalent disclosure document provided by each TPAMP to whom we refer our clients, and the fees may or may not be negotiable. These disclosures will be set forth in the disclosure documents of the TPAMP. Incentive or performance fees charged by specific managers will be fully disclosed, as these fees may exceed typical management fees.

Clients who are referred to TPAMPs will receive full disclosure, including services rendered, account minimums, and fee schedules, at the time of the referral by delivery of a copy of the TPAMP's relevant Form ADV Part 2A, or equivalent disclosure document. You are required to sign a management agreement with us and may be required to sign a management agreement directly with the TPAMP. Under such arrangements, our firm, the TPAMP, or you may terminate the advisory relationship, in accordance with the provisions of the TPAMP's agreement.

Our fees for portfolio management services are billed quarterly in advance based on the market value of the assets on the last day of the preceding quarter. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter. Our fees for portfolio management services range from 0.70% to 1.50% of assets under management. In limited circumstances and at our discretion, the fee and account minimum may be subject to negotiation.

The qualified custodian holding your funds and securities will deduct our fee directly from your account. We will instruct the custodian to deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.

- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

Either the firm or you may terminate the management agreement within five days of the date of acceptance without penalty to you. After the five-day period, either party, upon 15 days written notice to the other, may terminate the management agreement. The management fee will be pro-rated for the quarter in which the cancellation notice was given, inclusive of the 15-day notice period, and any unearned fees will be refunded to you.

### ***Family Wealth Planning Services/Consulting Services***

Financial planning services will typically involve providing a variety of services, principally advisory in nature, to you regarding the management of your financial resources based upon an analysis of your individual needs. A principal or assigned professional of ours will first conduct a complimentary initial consultation. After the initial consultation, if you decide to engage us for financial planning services, the principal or assigned professional will conduct a follow up meeting during which pertinent information about your financial circumstances and objectives is collected. A Legacy Statement will be written. Once such information has been reviewed and analyzed, a written Family Wealth Plan - designed to achieve your stated financial goals and objectives - will be produced and presented to you. The primary objective of this process is to allow us to assist you in developing a strategy for the successful management of income, assets, and liabilities in meeting your financial goals and objectives.

Family Wealth Plans are based on your financial situation at the time the plan is presented and are based on financial information you disclose to us. You will be advised that certain assumptions may be made with respect to interest and inflation rates and use of past trends and performance of the market and economy. Past performance is in no way indicative of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. As the client's financial situation, goals, objectives, or needs change, you must notify us promptly.

Some clients, however, may only require advice on a single aspect of the management of their financial resources. For these clients, we offer financial plans in a modular format that address only those specific areas of concern.

We utilize the following financial planning fee schedule:

- **Fixed Fees:** Fixed fees for financial planning services generally range between \$3,700 and \$20,000.
- **Hourly Fees:** Hourly fees for our principals are \$300, while other assigned professional fees will start at \$150 for these services.

When the scope of the financial planning services has been agreed upon, a determination will be made as to applicable fee. The final fee, subject to negotiation, is directly dependent upon the facts and circumstances of your financial situation and the complexity of the financial plan or service(s) requested.

We require that you pay an initial retainer of one-half of the estimated fee in advance of any services rendered. The remaining balance shall be due and payable upon completion of the contracted service.

Either our firm or you may terminate the financial planning agreement within five days of the date of acceptance without penalty to you. However, you will incur a pro rata charge for financial planning services actually rendered prior to such termination. After the five-day period, either party may terminate the financial planning agreement by providing written notice to the other party. In the event there are any prepaid unearned fees, we will promptly refund a pro rata share to you.

You are under no obligation to act on the investment adviser's recommendation. Moreover, if you elect to act on any of the recommendations, you are under no obligation to effect the transaction through the investment adviser.

### ***Planning Services for 401(k) Plans***

We provide 401(k) planning meetings with plan participants. These meetings provide participants with education and advice regarding making suitable investment choices. We do not manage the participant's 401(k) investments or the plan assets. We charge the plan \$500 per meeting with participants for these services. Fees for meetings are determined in advance and may be negotiable based on the number of meetings the employer elects to hold for plan participants. Fees are payable one-half in advance with the remainder due upon completion of the meeting. The plan will reimburse us for any direct travel expenses incurred.

You are under no obligation to act on the investment adviser's recommendation. Moreover, if you elect to act on any of the recommendations, you are under no obligation to effect the transaction through the investment adviser.

### **Types of Investments**

We offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, US Government securities, options contracts on securities and commodities, futures contracts on securities and commodities, and interest in partnerships investing in real estate.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Additionally, as disclosed in more detail under [\*Item 10 - Other Financial Industry Activities and Affiliations\*](#), we also provide advisory and management services to the FWCG Opportunity Fund (the "Fund" or the "Opportunity Fund"). Provided you meet the investor suitability standards and if appropriate, we may recommend that you invest in the Opportunity Fund. Please see Item 5, 6, and 10 for additional disclosures on compensation, conflicts and other important information regarding the Opportunity Fund.

### **Assets Under Management**

As of December 31, 2011, we manage \$4,716,891 in client assets on a discretionary basis, and \$65,933,000 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian.

Clients invested in FWCG Opportunity Fund (the "Fund" or the "Opportunity Fund") pay an annual management expense fee of 1.5%. Furthermore, while the General Partner of the Fund currently does not intend to charge the Fund any performance fee, the Private Funds which the Fund may invest in may charge the Fund (and indirectly the Limited Partners) performance fees, which are expected to generally range from 15% to 20% of any Private Fund profits allocated to the Fund.

To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, private funds, and our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

### **Compensation for the Sale of Other Investment Products**

Some of our Investment Advisor Representatives who provide investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. As such, persons licensed as insurance agents have a financial incentive to recommend insurance products. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

We or our affiliated entities are entitled to receive, in addition to an asset based fee, a performance based fee in connection with serving as manager to the FWCG Opportunity Fund Manager, LLC which is the General Partner of the FWCG Opportunity Fund, LLC. For further details on these pooled investment vehicles please see the section entitled "Other Financial Industry Activities and Affiliations" below.

Accordingly, we manage an account that is charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees ("side-by-side management"). Performance-based fees and side-by-side management may create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client accounts to ensure that investments are suitable and that the account is being managed according to the client's investment objectives and risk tolerance.

Performance based fees may also create an incentive for our firm to overvalue investments which lack a market quotation. In order to address such conflict, we have adopted policies and procedures that require our firm to "fairly value" any investments, which do not have a readily ascertainable value.



Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. For example, we may have an incentive to allocate limited investment opportunities, such as initial public offerings, to clients who are charged performance-based fees over clients who are charged asset based fees only. To address this conflict of interest, we have instituted policies and procedures that require our firm to allocate investment opportunities (if they are suitable) in an effort to avoid favoritism among our clients, regardless of whether the client is charged performance fees.

## **Item 7 Types of Clients**

We provide investment advisory services to individuals, trusts, estates, and a private fund.

In general, we require a minimum of \$500,000 to open and maintain an advisory account; however, at our discretion, we may waive or lower this minimum account size. We may also house client accounts to meet the stated account minimum.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

### **Methods of Analysis**

We apply both an academic and practical analysis of the Modern Portfolio Theory ("MPT") to build risk-managed portfolios. MPT is a theory of investing which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets. MPT is a mathematical formulation of the concept of diversification in investing, with the aim of selecting a collection of investment assets that has collectively lower risk than any individual asset.

In addition, we may employ the analysis and information provided by third-party advisers to evaluate investment products. We use 30 years of our experience with a Master's level of education to perform due diligence on asset classes offered in the Opportunity Fund.

### **Investment Strategies**

When we manage your assets, we use long term purchases, or securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Our Opportunity Fund includes a diversified portfolio of all the asset classes that you may use as a diversification tool in your total portfolio.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting to the IRS, the cost basis of equities acquired on or after January 1, 2011. Our firm will either instruct the custodian to use the first-in, first-out "FIFO" accounting method for calculating and reporting the cost basis of your equity investments or the custodian will default to the FIFO method where no instruction is given.

You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

We primarily recommend the "Dimensional Fund Advisors Mutual Funds" as these mutual funds makes up our core risk-managed portfolios. You should be advised of the following risks when investing in mutual funds.

*Mutual funds* are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end".

## **Item 9 Disciplinary Information**

Family Wealth Consultants, Inc. has been registered and providing investment advisory services since 2003. Neither our firm nor any of our management persons has any reportable disciplinary information.

## **Item 10 Other Financial Industry Activities and Affiliations**

### *Management of Pooled Investment Vehicles*

The Firm acts as an investment adviser to the FWCG Opportunity Fund ("Fund"). Interests in the Fund are offered for sale to a limited number of accredited investors. We have the authority and responsibility to formulate investment strategies and make investment decisions for the Fund, including the types and amounts of securities or investments to be bought and/or sold, in accordance with the investment program and investment restrictions set forth from time to time in the confidential offering

memoranda of the Fund, as amended or supplemented from time to time. In addition, we have the authority and responsibility to perform various other functions, including selecting brokers/dealers and executing securities transactions.

Typically, the Fund seeks to generate capital appreciation, income, and/or superior absolute risk-adjusted rates of return by investing primarily in Private Funds, which, in the General Partner's opinion, are managed by highly experienced money managers ("Managers"). There can be no assurance that the Fund will achieve its investment objective.

Investments in the Fund are offered only to accredited investors within the meaning of SEC Rule 501 of Regulation D of the Securities Act of 1933. Investors in the Fund are also required to be qualified purchasers as defined by Section 2(a)(51) under the Investment Company Act. Investments in the Fund(s) are offered by private offering memorandum, which provides investors with full disclosure regarding the objectives of the particular Fund and the risks involved with the offering. Investors that purchase interests in the Fund(s) will be admitted to such funds as members. The minimum initial capital contribution required to become a Limited Partner of the Fund is typically \$100,000. In its sole discretion, from time to time, the General Partner may raise or lower such requirements.

Investors and potential investors should refer to relevant Fund offering documents for complete disclosure of the risks, investment objectives, and restrictions associated with the offering(s).

#### *Insurance Sales Activity*

Although Mr. Martin is a licensed insurance agent who will provide advice on insurance products as part of an overall financial plan, he does not sell or service insurance products to or for his clients.

All insurance sales will be referred to Mrs. Peggy D. Martin, a licensed insurance agent. You are under no obligation to use the services of Mrs. Martin in her capacity as an insurance agent. Clients may use the services of any agent or broker they choose. Although, Mrs. Martin is an officer and advisory representative with our firm, she does not share her insurance income with the firm. However, Mr. and Mrs. Martin are married, and therefore, Mr. Martin may indirectly benefit from the commissions earned by Mrs. Martin from assisting FWCI clients with the purchase of traditional insurance products.

Certain individuals providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees.

While we believe that fees charged by our affiliates are competitive, such fees may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines.

Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

You may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. Our firm or persons associated with our firm may recommend securities to you at the same time we or persons associated with our firm purchase such securities for our own account.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We maintain relationships with several broker-dealers. While you are free to choose any broker-dealer or other service provider, we recommend that you establish an account with a brokerage firm with which we have an existing relationship, such as Schwab Institutional ("Schwab") and Fidelity Investments ("Fidelity"), among others. Such relationships may include benefits provided to our firm, including but not limited to, research, market information, and administrative services that help our firm manage your account(s). We believe that recommended broker-dealers provide quality execution services for our clients at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by recommended broker-dealers, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services recommended broker-dealers provide, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

We do not receive any soft dollars from broker/dealers or other investment advisers. We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

## **Item 13 Review of Accounts**

Principals and advisory representatives who manage investment advisory accounts will review those accounts on a quarterly basis for risk and performance. Your accounts are monitored on a continuous basis to ensure your requested risk level is maintained and that the account remains aligned with your stated needs and goals. The calendar or client events are the triggering factor for an account review.

Reports will vary depending on the services chosen on your individual Investment Advisory Agreement. For managed investment accounts you will generally receive a monthly statement for each account directly from the custodian and a quarterly performance report for each portfolio from us, our affiliates, or third party asset managers.

## **Item 14 Client Referrals and Other Compensation**

Non-employee (outside) consultants, who are directly responsible for bringing a client to us, may receive compensation from us. Such agreements will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the investment adviser be disclosed to the client at the time of the solicitation or referral. Under these arrangements, you will not pay higher fees than our normal/typical advisory fees.

In any case, applicable state laws may require these persons to become licensed either as representatives of ours or as an independent investment adviser. We will request that you acknowledge this arrangement prior to acceptance of your account for advisory services.

As disclosed under the "Fees and Compensation" section in this brochure, persons providing investment advice on behalf of our firm are licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

## **Item 15 Custody**

Provided we receive your written authorization, we will instruct your independent custodian to directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. As disclosed in more detail in Item 4, when you have authorized automatic fee deduction, we will send you an invoice/statement showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.

Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

We have access to the pooled investment vehicles' funds and securities, and therefore we are deemed to have custody over such funds and securities. As required, those assets are subject to surprise verification.

## Item 16 Investment Discretion

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and we do not require the prepayment of more than \$500 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure. As discussed in Item 15 above, we are deemed to have "custody" over the assets of the Opportunity Fund, and as a safeguard those assets are subject to a surprise examination and verification by a qualified CPA every year.

## Item 19 Requirements for State-Registered Advisers

Craig Martin, President, is responsible for all management decisions. Information describing his education, business background, and outside business activities, is included in his ADV Part 2B supplement, which is provided as a *supplement* and incorporated by reference to this Brochure.

Our firm is not actively engaged in any business other than providing investment advice.

Please refer to the Fund offering documents for details on incentive-based allocation and performance fees associated with the Opportunity Fund. Performance-based compensation may create an incentive for our firm to recommend an investment that may carry a higher degree of risk to you. Please see **Item 6 - Performance Based Fees** for more information.



Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.



## **Craig Lee Martin**

**CRD No. 1021669**

**Family Wealth Consultants, Inc.  
25 Metro Drive, Suite 600  
San Jose, CA 95110**

**Tel: (408) 453-2220 Fax: (408) 453-6065**

**June 15, 2012**

### **FORM ADV PART 2B BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Craig L. Martin that supplements the Family Wealth Consultants, Inc. brochure. You should have received a copy of that brochure. Please contact us at (408) 453-2222 if you did not receive Family Wealth Consultants, Inc.'s brochure or if you have any questions about the contents of this supplement.

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



## Item 2 Educational Background and Business Experience

**Craig Lee Martin, CFP®, CLU®, ChFC®**

*Year of Birth:* 1945

*Formal Education after High School:*

- The American College, Master of Science in Financial Services (MSFS), 1989
- San Jose State University, B.S. Molecular Biology, 1974

*Business Background Previous Five Years:*

- Family Wealth Consultants, Inc., President/Chief Compliance Officer/Investment Adviser Representative, 06/1999 to Present

*Certifications:*

- CERTIFIED FINANCIAL PLANNER (CFP®), 1996
- Chartered Life Underwriter (CLU®), 1981
- Chartered Financial Consultant (ChFC®), 1983

The CERTIFIED FINANCIAL PLANNER, CFP®, and federally registered CFP (with flame design) marks (collectively, the "CFP marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct* , to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct* . The Standards prominently require that CFP professionals provide financial planning services at a fiduciary standard of care. This means CFP professionals must provide financial planning services in the best interests of their clients.

Chartered Life Underwriter (CLU®): This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take a series of mandatory courses which include, for example, the following: insurance planning, life insurance law, fundamentals of estate planning, planning for business owners, income taxation, group benefits, planning for retirement needs, and investments. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years.

Chartered Financial Consultant (ChFC®): This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take seven mandatory courses which include the following disciplines: financial, insurance, retirement and estate planning; income taxation, investments and application of financial planning; as well as two elective courses involving the application of the aforementioned disciplines. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years.

### Item 3 Disciplinary Information

Mr. Martin does not have any legal or disciplinary disclosures.

### Item 4 Other Business Activities

Although Mr. Martin is a licensed insurance agent who will provide advice on insurance products as part of an overall financial plan, he does not sell or service insurance products to or for his clients.

All insurance sales will be referred to Mrs. Peggy D. Martin, a licensed insurance agent. You are under no obligation to use the services of Mrs. Martin in her capacity as an insurance agent. Clients may use the services of any agent or broker they choose. Please refer to Mrs. Martin's Part 2B Supplement for more information on insurance sales.

*Additionally, you may refer to the "Other Financial Industry Activities and Affiliations" section of Family Wealth Consultants, Inc.'s Part 2 Brochure for more information on Mr. Martin's outside business activities.*

## **Item 5 Additional Compensation**

Please refer to "*Other Financial Industry Activities and Affiliations*" section of Family Wealth Consultants, Inc.'s Part 2 Brochure for more information on Mr. Martin's outside business activities and related compensation

## **Item 6 Supervision**

As President and Chief Compliance Officer of Family Wealth Consultants, Inc., Mr. Martin is ultimately responsible for the investment advice that is provided to clients. Furthermore, he is responsible for monitoring and ensuring that all business and advisory activities are conducted in accordance with the firm's policies and procedures, which are reasonably designed to detect and prevent violations of the securities laws, rules and regulations.

## **Item 7 Requirements for State Registered Advisers**

Mr. Martin does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.



## **Hilary Kathryn Martin**

**CRD No. 5573791**

**Family Wealth Consultants, Inc.  
25 Metro Drive, Suite 600  
San Jose, CA 95110**

**Tel: (408) 453-2220 Fax: (408) 453-6065**

**June 15, 2012**

### **FORM ADV PART 2B BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Hilary K. Martin that supplements the Family Wealth Consultants, Inc. brochure. You should have received a copy of that brochure. Please contact us at (408) 453-2222 if you did not receive Family Wealth Consultants, Inc.'s brochure or if you have any questions about the contents of this supplement.

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

## Item 2 Educational Background and Business Experience

**Hilary Kathryn Martin, CFP®**

*Year of Birth:* 1976

*Formal Education after High School:*

- Santa Clara University, B.S., Economics, 1998
- University of California, Personal Financial Planning Curriculum, 2009

*Business Background Previous Five Years:*

- Family Wealth Consultants, Inc., Partner/Investment Adviser Representative, 11/2007 to Present
- First Horizon, Loan Officer, 10/2006 to 08/2007
- Equitas Capital, Loan Officer, 09/2005 to 10/2006

*Certifications:*

- CERTIFIED FINANCIAL PLANNER (CFP®)

CERTIFIED FINANCIAL PLANNER, CFP and federally registered CFP (with flame design) marks (collectively, the "CFP marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP certification in the United States.

To attain the right to use the CFP marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct* , to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct* . The Standards prominently require that CFP professionals provide financial planning services at a fiduciary standard of care. This means CFP professionals must provide financial planning services in the best interests of their clients.

### **Item 3 Disciplinary Information**

Hilary Martin does not have any legal or disciplinary disclosures.

### **Item 4 Other Business Activities**

Hilary Martin is not involved in any other occupation or business for compensation outside the scope of her activities and duties performed on behalf of Family Wealth Consultants, Inc.

### **Item 5 Additional Compensation**

Hilary Martin does not receive any additional compensation from a non-client in connection with providing advisory services on behalf of Family Wealth Consultants, Inc.

### **Item 6 Supervision**

Craig L. Martin, President and Chief Compliance Officer, is responsible for supervising the advisory activities of Hilary Martin. Mr. Martin can be reached at (408) 453-2222.

### **Item 7 Requirements for State Registered Advisers**

Hilary Martin does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.



## **Peggy Dessert Martin**

**CRD No. 3004511**

**Family Wealth Consultants, Inc.  
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San Jose, CA 95110**

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**June 15, 2012**

### **FORM ADV PART 2B BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Peggy D. Martin that supplements the Family Wealth Consultants, Inc. brochure. You should have received a copy of that brochure. Please contact us at (408) 453-2222 if you did not receive Family Wealth Consultants, Inc.'s brochure or if you have any questions about the contents of this supplement.

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

## Item 2 Educational Background and Business Experience

**Peggy Dessert Martin, CLU®, ChFC®, CASL®**

*Year of Birth:* 1956

*Formal Education after High School:*

- The American College, Master of Science in Financial Services (MSFS), February 2011
- University of Phoenix, B.S., Business Management, 2003

*Business Background for the Previous Five Years:*

- Family Wealth Consultants, Inc., Vice President/Investment Adviser Representative, 08/2005 to Present
- Estate Guidance & Insurance Services, Inc., Co-Owner/Chief Financial Officer, 03/1996 to Present
- Family Wealth Consultants, Inc., Vice President, 10/1998 to 06/2003

*Certifications:*

- Chartered Life Underwriter (CLU®), 1987
- Chartered Financial Consultant (ChFC®), 2009
- Chartered Advisor for Senior Living (CASL®), 2005

Chartered Life Underwriter (CLU®): This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take a series of mandatory courses which include, for example, the following: insurance planning, life insurance law, fundamentals of estate planning, planning for business owners, income taxation, group benefits, planning for retirement needs, and investments. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years.

Chartered Financial Consultant (ChFC®): This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take seven mandatory courses which include the following disciplines: financial, insurance, retirement and estate planning; income taxation, investments and application of financial planning; as well as two elective courses involving the application of the aforementioned disciplines. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years.

Chartered Advisor for Senior Living (CASL®): This designation is issued by The American College and is granted to individuals who have met the experience requirement for the CASL designation by satisfying either of the following: have met the experience requirements for The College's CLU, ChFC, RHU, REBC, and CLF designations, OR have been advising clients on financial and/or practical matters relating to their retirement years or on issues dealing with aging for at least three of the five years preceding the awarding of the designation. The candidate is required to take five mandatory courses which include the following disciplines: Investments, Fundamentals of Estate Planning, Understanding the Older Client, Health & Long-Term Care Financing for Seniors, and Financial Decisions for Retirement. Each course has a final proctored exam and once issued, the individual is required to submit 15 hours of continuing education every two years with the additional condition that at least 10 of these hours should be in course work directly related to the course work required to obtain this designation.



### **Item 3 Disciplinary Information**

Ms. Martin does not any legal or disciplinary disclosures.

### **Item 4 Other Business Activities**

Ms. Martin is a licensed insurance agent. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Ms. Martin for insurance related activities. This presents a conflict of interest because Ms. Martin may have a financial incentive to recommend insurance products to you. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

### **Item 5 Additional Compensation**

Please refer to the *Other Business Activities* section above for disclosures on Ms. Martin's receipt of additional compensation as a result of her other activities.

### **Item 6 Supervision**

Craig L. Martin, President and Chief Compliance Officer, is responsible for supervising the advisory activities of Ms. Martin. Mr. Martin can be reached at (408) 453-2222.

### **Item 7 Requirements for State Registered Advisers**

Ms. Martin does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.



## **Clayton Joseph Klein**

**CRD No. 1012100**

**Family Wealth Consultants, Inc.  
25 Metro Drive, Suite 600  
San Jose, CA 95110**

**Tel: (408) 453-2220 Fax: (408) 453-6065**

**June 15, 2012**

### **FORM ADV PART 2B BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Clayton J. Klein that supplements the Family Wealth Consultants, Inc. brochure. You should have received a copy of that brochure. Please contact us at (408) 453-2222 if you did not receive Family Wealth Consultants, Inc.'s brochure or if you have any questions about the contents of this supplement.

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

## Item 2 Educational Background and Business Experience

**Clayton Joseph Klein**

**Year of Birth:** 1933

**Formal Education after High School:**

- Saint Joseph's College, B.S., Business Administration, 1955
- U.S. Navy, Officer, 1955 to 1958

**Business Background for the Previous Five Years:**

- Family Wealth Consultants, Inc., Investment Adviser Representative, 06/ 2005 to Present
- Estate Guidance & Insurance Services, Inc., Co-Owner/President/Agent, 04/1996 to Present

## Item 3 Disciplinary Information

Mr. Klein has not been involved in any material legal or disciplinary events in the past ten years.

## Item 4 Other Business Activities

Mr. Klein is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Klein for insurance related activities. This presents a conflict of interest because Mr. Klein has a financial incentive to recommend insurance products to you for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

## Item 5 Additional Compensation

Mr. Klein will receive a portion of the advisory fees paid to Family Wealth Consultants, Inc. on those client accounts (management and/or planning) that he refers to the firm. Currently, he receives 12.5% of the management fees on clients referred. He receives 95% of any legacy planning.

Please refer to the *Other Business Activities* section above for disclosures on Mr. Klein's receipt of additional compensation as a result of his other activities as a licensed insurance agent.

## Item 6 Supervision

Craig L. Martin, President/Chief Compliance Officer is responsible for supervising the advisory activities of Clayton J. Klein. Mr. Martin can be reached at (408) 453-2222.

## Item 7 Requirements for State Registered Advisers

Mr. Klein does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.



**Michael Charles Gray, CPA**

**CRD No. 5137825**

**Family Wealth Consultants, Inc.  
25 Metro Drive, Suite 600  
San Jose, CA 95110**

**Tel: (408) 453-2220 Fax:(408) 453-6065**

**June 15, 2012**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Michael C. Gray that supplements the Family Wealth Consultants, Inc. brochure. You should have received a copy of that brochure. Please contact us at (408) 453-2222 if you did not receive Family Wealth Consultants, Inc.'s brochure or if you have any questions about the contents of this supplement.

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

## Item 2 Educational Background and Business Experience

### **Michael Charles Gray, CPA**

*Year of Birth:* 1951

*Formal Education after High School:*

- San Jose State University, M.B.A., Business Administration
- San Jose State University, B.S., Business Administration, Accounting, 1974

*Business Background for the Previous Five Years:*

- Family Wealth Consultants, Inc., Investment Adviser Representative, 04/2006 to Present
- Michael Gray, CPA, Owner/Certified Public Accountant, 07/1996 to 02/2006

## Item 3 Disciplinary Information

Mr. Gray does not have any disciplinary disclosure.

## Item 4 Other Business Activities

Mr. Gray is a certified public accountant ("CPA"). As such he may provide accounting advice and services to clients in need of such services. You are under no obligation to use Mr. Gray for accounting services. The fees he charges for accounting services is separate and distinct from advisory fees paid to him for advisory services.

## Item 5 Additional Compensation

Mr. Gray will receive a portion of the advisory fees paid to Family Wealth Consultants, Inc. on those client accounts (management and/or planning) that he refers to the firm. Currently, he receives 25% of such advisory fees.

## Item 6 Supervision

Craig L. Martin, President and Chief Compliance Officer is responsible for supervising the advisory activities of Mr. Gray. Mr. Martin can be reached at (408) 453-2222.

## Item 7 Requirements for State Registered Advisers

Mr. Gray does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.



## **Rosemary Anne Hernandez**

**CRD No. 3107348**

**Family Wealth Consultants, Inc.  
25 Metro Drive, Suite 600  
San Jose, CA 95110**

**Tel: (408) 453-2220 Fax: (408) 453-6065**

**June 15, 2012**

### **FORM ADV PART 2B BROCHURE SUPPLEMENT**

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This brochure supplement provides information about Rosemary A. Hernandez that supplements the Family Wealth Consultants, Inc. brochure. You should have received a copy of that brochure. Please contact us at (408) 453-2222 if you did not receive Family Wealth Consultants, Inc.'s brochure or if you have any questions about the contents of this supplement.

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

## Item 2 Educational Background and Business Experience

**Rosemary Anne Hernandez, CFP®**

*Year of Birth:* 1945

*Formal Education after High School:*

- University of San Francisco, B.B.S. Accounting Specialist, 1969
- University of Portland, Accounting, attended from 1967 to 1968

*Business Background the Previous Five Years:*

- Family Wealth Consultants, Inc., Investment Adviser Representative, 09/2005 to Present
- Rosemary A. Hernandez, Owner/Tax Preparation & Consulting, 08/1980 to Present

*Certifications:*

- CERTIFIED FINANCIAL PLANNER (CFP®)

The CERTIFIED FINANCIAL PLANNER, CFP and federally registered CFP (with flame design) marks (collectively, the "CFP marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP certification in the United States.

To attain the right to use the CFP marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct* , to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct* . The Standards prominently require that CFP professionals provide financial planning services at a fiduciary standard of care. This means CFP professionals must provide financial planning services in the best interests of their clients.

### Item 3 Disciplinary Information

Ms. Hernandez does not have any legal or disciplinary disclosures.

### Item 4 Other Business Activities

Ms. Hernandez is separately licensed as an independent insurance agent. In this capacity, she can effect transactions in insurance products for her clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Ms. Hernandez for insurance related activities. This presents a conflict of interest because Ms. Hernandez may have a financial incentive to recommend insurance products to you for the purpose of generating commissions. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Ms. Hernandez is also self employed performing non investment-related tax preparation and consulting services. The compensation she earns is separate and distinct from the fees she receives for advisory services from Family Wealth Consultants, Inc.

### Item 5 Additional Compensation

Ms. Hernandez will receive a portion of the advisory fees paid to Family Wealth Consultants, Inc. on those clients accounts (management and/or planning) that she refers to the firm. Currently, she receives 25% of such advisory fees.

Please refer to the *Other Business Activities* section above for disclosures on Ms. Hernandez's receipt of additional compensation as a result of her other activities.

### Item 6 Supervision

Craig L. Martin, President, Chief Compliance Officer and an Investment Adviser Representative is responsible for supervising the advisory activities of Ms. Hernandez. Mr. Martin can be reached at (408) 453-2222.

### Item 7 Requirements for State Registered Advisers

Ms. Hernandez does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.