



## ELITE WEALTH MANAGEMENT

**ELITE WEALTH MANAGEMENT, INC.**

**1014 Market Street, Suite 100 - Kirkland, WA 98033**

**Effective date: March 29, 2016**

This Form ADV2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Elite Wealth Management, Inc. (“**Elite**” or the “**Advisor**”). If you have any questions about the contents of this Brochure, please contact us at +1 425 828 4300 or by email at [Fariba.Ronnasi@Elitewm.com](mailto:Fariba.Ronnasi@Elitewm.com). You may also visit our website at [www.elitewm.com](http://www.elitewm.com).

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.

Elite is a registered investment adviser. Registration of an investment adviser does not imply that Elite or any of its principals or employees possess a particular level of skill or training in the investment advisory business or any other business. The oral and written communications of an investment adviser provide you with information about which you determine to hire or retain an investment adviser.

Additional information about Elite is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD # **132122**.

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### **Item 2 - Material changes**

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Form ADV 2 is divided into two parts: Part 2A (the “Disclosure Brochure”) and Part 2B (the “Brochure Supplement”). The Disclosure Brochure provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Elite. For convenience, we have combined these documents into a single disclose document.

Elite believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Elite encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

#### Material Changes

Elite has signed an agreement with Covestor to provide certain data for their platform in exchange for advisory fees. Please see Item 14 for more information about compensation received from Covestor.

Elite had decommissioned the Absolute Bond Strategy as part of their stable of Investment strategies managed and offered to its Clients. Please see Item 4 for more information about the existing stable of investments.

Elite no longer requires a minimum fee for its investment advisory services. Please see Item 7 for more information.

#### Future Changes

We will further provide you with a new Disclosure Brochure as necessary based on changes or new information, at any time, without charge. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs.

Currently, this Disclosure Brochure may be requested by contacting Fariba Ronnasi, Elite’s Chief Compliance Officer (“CCO”), at +1 425 828 4300 or by email at [Fariba.Ronnasi@Elitewm.com](mailto:Fariba.Ronnasi@Elitewm.com).

Additional information about Elite is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching our firm name or by our CRD# 132122. The SEC's web site also provides information about any persons affiliated with Elite who are registered, or are required to be registered, as investment adviser representatives of Elite.

#### **Item 4 - Advisory Business**

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##### **A. Firm Information**

Elite Wealth Management, Inc. (“Elite”, the “Firm”, or the “Advisor”) is a registered investment advisor located in the State of Washington, which is organized as a corporation under the laws of Washington in 2004. Elite is owned and operated by Fariba Ronnasi, President and Chief Compliance Officer. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Elite.

##### **B. Advisory Services Offered**

Elite offers investment advisory services to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates or charitable organizations and corporations and business entities in Washington and other states (each referred to as a “Client”).

Elite integrates the goals and objectives of the Client using assumptions that they provide to us in order to develop our investment strategies for each Client. Typically an in-depth risk tolerance questionnaire is completed by the Client as part of the discovery process. Recommendations to accomplish the Client’s goals based on the information provided by the Client are then shared with each Client and implemented if approved.

Once an investment account is established, management of the account is done through an interactive process with the Client. Depending upon the needs of the Client, each Client is encouraged to meet with their investment advisor representative at least quarterly, semi-annually, or annually.

##### Investment Management Services

In some situations Elite will select individual securities, including exchange traded funds (“ETFs”), and form individually managed investment portfolios to match the investment objectives as stated by the Client. The Client is responsible for all transaction and exchange costs associated with the portfolio.

Additionally, Elite currently manages and may offer Clients a stable of investment portfolios each with their own unique investment strategy and fee structures.

- Tactical Long-Short Strategy
- Tactical ETF Strategy
- Alternative Sector Rotation Strategy
- Core Equity Strategy
- Dynamic Option Strategy
- Equity Opportunity Strategy

As appropriate for the investment objectives of the Client, Elite may recommend to accredited investors shares of, or partnership interests in, funds offered by Lattice Capital Management LLC (“Lattice”) where Lattice is also the General Partner of those funds. Lattice Capital Management LLC is an SEC registered investment advisory firm and affiliated with Elite by ownership and operations. Please see Item 10 for more information and also refer to the Lattice Capital Management LLC ADV Part 2A and the respective funds Private Placement Memorandum for a complete disclosure of strategies, fees, risks and other pertinent information.

#### Appointment of Sub-Investment Advisers

In addition to recommending direct investments in equity securities, debt securities, private notes and exchange traded funds (“ETFs”) to Clients, Elite will occasionally enter into a sub-advisory agreement with independent investment advisers selected by Elite. In connection with this arrangement, these independent investment advisers shall have full power and authority to invest and reinvest all of the assets of the Client in such securities and other instruments as the investment advisor, in its sole and absolute discretion deems to be in the best interest of the Client. Advisor shall be responsible for any fees payable to any such Sub-Advisors.

#### White Labelling

Elite may also enter into arrangements with other independent third party investment advisory firms permitting them to “White-Label” (or re-brand) any of Elite’s investment strategies, and Elite will charge fees as appropriate for the type of securities and style of investment management implemented in these managed portfolios (see Item 5: Fees & Compensation section for details).

#### Financial Planning

Clients are generally provided a written plan that includes a personal balance sheet and certain projections. All reports, financial statement projections and analyses are intended exclusively for your use in developing and implementing your financial plan. In view of this limited purpose, the statements should not be considered complete financial statements. Accordingly, you should understand that such statements cannot be used to obtain credit or for any purpose other than developing your personal financial plan. We will not audit (examine), review or compile such statements and, accordingly we will not express an opinion or other form of assurance on them, including the reasonableness of assumptions and other data on which any prospective financial statements are based. It is likely that there will be differences between projected and actual results because events and circumstances frequently do not occur as expected and such differences may be material.

Our analyses will be highly dependent on certain economic assumptions that you must make about the future. Therefore, another important step in the process is establishing your familiarity with historical data regarding key assumptions such as inflation and investment rates of return, as well as an understanding of how significantly these assumptions affect the results of our analyses. We may counsel you as to the consistency of your assumptions with relevant historical data, but we will not express any assurance as to the accuracy or reasonableness of your specific data and assumptions. You are ultimately responsible for the assumptions and personal data upon which our procedures and projections are based.

#### Seminars

From time to time, Elite may sponsor or provide educational seminars. Elite will not charge a fee for attending the seminar. The seminars may also discuss strategies or services that are provided by Elite or its affiliates.

### **C. Client Account Management**

Prior to engaging Elite to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

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- Asset Allocation – Elite will develop or select an existing strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – Elite will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client, or utilize one if Elite's strategies.
- Investment Management and Supervision – Elite will provide investment management and ongoing oversight of the Client's portfolio and overall account.

### D. Wrap Fee Programs

Elite does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by Elite.

### E. Assets Under Management

#### Assets under Management

Elite's calculation of its assets under management includes the value of private funds that Elite recommends to its Clients, including those funds sponsored by Lattice Capital Management LLC. In its investment advisory agreement with Clients, Elite agrees to provide on-going management services for the private fund investments that Elite recommends to its Clients. Elite has on-going responsibility to select or make private fund recommendations, based upon the financial circumstances and investment objectives of its Clients, and is responsible for arranging the purchase or sale of these private funds if such recommendations are approved by the Client. Elite continually evaluates the private fund's investments and recommends appropriate allocation changes to Clients based on any changes to a Client's financial circumstances and investment objectives. Accordingly Elite has included the value of private fund investments recommended by Elite in its calculation of its assets under management.

As of December 31, 2015 Elite manages the following assets:

Assets Under Management	Assets
Discretionary Assets	\$275,000,000
Non-Discretionary Assets	\$18,000,000
<b>Total</b>	<b>\$293,000,000</b>

Clients may request more current information at any time by contacting the Advisor.

### Item 5 - Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client shall sign an investment advisory agreement that details the responsibilities of Elite and the Client.

#### A. Fees for Advisory Services

Elite integrates the goals and objectives of each Client using assumptions that they provide to us in order to develop our investment strategies for each Client. Normally an in-depth risk tolerance questionnaire is completed by the Client as part of the discovery process. Recommendations to accomplish the Client's goals based on the information provided by the Client are then shared with each Client and implemented.

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Once an investment account is established, management of the account is done through an interactive process with the Client. Depending upon the needs of the Client, each Client is encouraged to meet with their investment advisor representative at least quarterly, semi-annually, or annually.

We may also offer advice on investments including, but not limited to, equity securities, warrants, corporate debt, commercial paper, certificates of deposit, variable annuities, mutual fund shares, United States government securities, option contracts on securities and interests in partnerships investing in real estate.

### Investment Management Services

Investment advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Elite offers services on a fee-only basis. The typical management fee structure is 1% of the Client's assets under management for any managed portfolio including the strategies as defined above in Item 4.B: Advisory Services Offered. Certain clients engaging the Advisor for investment management services may also receive financial planning services included in the management fee, based on the terms of their investment management agreement. However, the following investment strategy has a different management fee structure, as follows:

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Elite. All securities held in account[s] managed by Elite will be independently valued by the designated Custodian. Elite will not have the authority or responsibility to value portfolio securities.

### White-Labeling Fees

Elite's fee schedule for white labelled services where independent third party investment managers utilize intermediaries responsible for trading and allocations:

- Up to \$100M = 0.35% annually
- Next \$50M = 0.30% annually
- Anything over \$150M = 0.25% annually

Elite's fee schedule for white labelled services where independent third party investment managers utilize Elite's investment platform/infrastructure (through Interactive Brokers), where Elite is responsible for trading and allocations:

- Up to \$100M = 0.60% annually
- Next \$50M = 0.55% annually
- Anything over \$150M = 0.50% annually

Fees are negotiable at Elite's sole discretion.

### Hourly Fees

In some cases we will perform services for Clients where the cost of the service is based upon the amount of time to complete the service at an hourly rate. The rate per hour would depend upon the level of complexity of the service and personnel used on the engagement. The rate would normally not exceed \$400 per hour. The tasks and services to be performed would be described in an engagement letter that is

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signed by the Client and Elite that describes the hourly rate, an estimate of time to complete the project and the procedure for refund or partial billing if the engagement is terminated before completion.

In addition to our fees, Clients are responsible for asset management fees paid to Custodians and broker-dealers. These fees are disclosed in the disclosure document or agreements with the TPMM and/or in account opening documents.

### **B. Fee Billing**

Billing periods may vary depending on the broker/custodian selected by the Client. **For Clients billed on a quarterly basis**, investment advisory fees will be calculated by the Advisor and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of each quarter. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with Elite at the end of the prior quarter. **For Clients billed on a daily basis**, fees will automatically be deducted from the Client's account[s] at the Custodian each day. The amount due is calculated by applying the daily rate (annual rate divided by 365) to the total assets under management with Elite at the end of the day.

Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting Elite to be paid directly from their accounts held by the Custodian as part of the agreement and separate account forms provided by the Custodian.

### **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than Elite, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The investment advisory fee charged by Elite is separate and distinct from these custodian and execution fees.

In addition, all fees paid to Elite for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in most of these products directly, without the services of Elite, but would not receive the services provided by Elite which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Elite to fully understand the total fees to be paid.

### Lattice Capital Management – Private Funds

As appropriate for the investment objectives of the Client, Elite may recommend to accredited investors shares of, or partnership interests in, funds offered by Lattice Capital Management LLC and where Lattice is also the General Partner of those funds. Lattice Capital Management LLC is affiliated with Elite by ownership and operations. These funds typically charge an annual management fee (1% for A Shares, 2% for B Shares) and a performance fee in addition to other administrative fees. Please refer to



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the Lattice Capital Management LLC ADV Part 2A and the respective funds Private Placement Memorandum for a complete disclosure of strategies, fees, risks and other pertinent information.

Recommendations to engage Lattice Capital Management LLC creates a conflict of interest due to the common ownership of Elite and Lattice. This conflict is mitigated where any assets invested through Lattice will not be invoiced by Elite. For assets referred to Lattice, management and performance fees will be collected by Lattice Capital Management LLC. Clients are not obligated to implement recommendations made by Elite to engage Lattice Capital Management LLC.

### **D. Advance Payment of Fees and Termination**

Elite is compensated for its services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement with Elite, at any time, by providing advance written notice to the other party. The Client shall be responsible for investment advisory fees up to and including the effective date of termination. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's written approval.

**Please note: Fees are not rebated if an account is terminated prior to the end of the billing period. When the Advisor's services are terminated for a Client, the Client will not receive a pro-rata refund for the advance payment of the quarter in which the termination is effective.**

### **E. Compensation for Sales of Securities**

Elite does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

### **Item 6 - Performance Fees**

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Investment advisory fees are typically not based on a share of the capital gains or capital appreciation of managed securities. However, Elite may employ certain types of investments that do charge a performance fee.

Lattice Capital Management, LLC (an affiliated advisor) does earn performance fees as disclosed in Item 5 of this Disclosure Brochure. For any investments that charge performance fees, refer to their offering or private placement memorandum ("PPM") for an explanation and amounts of the performance fees.

### **Item 7 - Types of Clients**

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Elite provides investment advisory services to the following types of Clients:

- Individuals, Personal Trusts and Estates – private investors, investing their personal assets
- Pension and Profit Sharing Plans – retirement plan sponsors or company plans
- 501(c)(3) Non-Profit Organizations – mission-based, non-profit organizations
- Corporations and Businesses – taxable business entities, investing cash reserves
- Other Financial Services Firms – other investment advisors

Elite does not require a minimum relationship size in order to implement its investment advisory services.

## **Item 8 - Methods of Analysis, Sources of Information, Investment Strategies Risk of Loss**

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### **A. Methods of Analysis**

Elite uses fundamental analysis methods in developing and selecting investment strategies for its Clients. Research and analysis from Elite is derived from numerous sources, including:

- Financial newspapers and magazines
- Research materials prepared by others
- Annual reports, prospectuses, filings with the SEC
- Company press releases

Investment strategies used to implement investment advice include:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Short sales
- Margin transactions
- Option writing, including covered options, uncovered options or spreading strategies

### **B. Risk of Loss**

***Note: All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. Although Elite advises assets in a manner consistent with risk tolerances, there can be no guarantee that our efforts will be successful. The investor should be prepared to bear the risk of loss.***

#### **Market Risks**

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Adviser's Investment Activities. The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in

general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

### **Investment Risks**

Portfolios may invest substantially all of their available capital principally in securities, engages in short sales of securities and trades in options (including covered and uncovered puts and calls and over-the-counter options) and other derivative instruments, private securities and money market instruments. Markets for such instruments fluctuate and the market value of any particular investment may vary substantially. In addition, such securities may be issued by unseasoned companies and may be highly speculative. The Fund's portfolio may not generate any income or appreciate in value.

Portfolio Turnover. The investment strategy of the Portfolios may require active trading of the portfolio, and as a result, turnover and brokerage commission expenses may significantly exceed those of other investment entities of comparable size.

Small Cap Companies. The portfolios may invest a portion of its assets in the stocks of companies with small market capitalizations. While Elite believes these investments often provide significant potential for appreciation, those stocks involve higher risks in some respects than do investments in stocks of larger companies. For example, prices of such stocks are often more volatile than prices of large-capitalization stocks. In addition, due to thin trading in some such stocks, an investment in these stocks may be more illiquid than that of larger capitalization stocks.

Lack of Diversification. The portfolios may not be widely diversified among sectors, industries, geographic areas or types of securities. Further, the portfolios may not necessarily be diversified among a wide range of issuers. Accordingly, the portfolios may be subject to more rapid change in value than

would be the case if the Investment Vehicles were required to maintain a wide diversification among companies or industry groups.

Short-Sales. Elite may sell securities short. Short sales can, in certain circumstances, substantially increase the impact of adverse price movements on the portfolios. A short sale involves the risk of a theoretically unlimited increase in the market price of the particular investment sold short, which could result in an inability to cover the short position and a theoretically unlimited loss. There can be no assurance that securities necessary to cover a short position will be available for purchase.

Options and Other Derivative Instruments. Elite may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held by Elite. The prices of many derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.

Leverage. The Portfolio will use leverage by engaging in short sales, entering into swaps and other derivatives contracts and other leveraging strategies. Such leverage increases the risk of loss and volatility. In addition, the use of leverage requires the pledging of assets as collateral. Margin calls or changes in margin requirements can cause the Portfolio to be required to pledge additional collateral or liquidate the Portfolio holdings, which could require the portfolio to close positions at substantial losses that would not otherwise be realized.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if

market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

**Inflation Risk.** Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

**Investments in Non-U.S. Investments.** From time to time, the Adviser may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Adviser's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Adviser's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Adviser's foreign currency holdings. If the Adviser enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Adviser enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

**Lack of Liquidity.** The Portfolio may invest in thinly traded and relatively illiquid securities or those securities may not be traded at the time the Portfolio invest or may cease to be traded after the Portfolio invests. The Portfolio also may acquire significant positions in some securities. In such cases and in the

event of extreme market activity, the Portfolio may not be able to liquidate its investments promptly if necessary. In addition, the Portfolios sales of thinly traded securities could depress the market value of those securities and thereby reduce the Portfolios profitability or increase its losses. Such circumstances or events could affect the Portfolios gain or loss materially and adversely.

Alternative Investments (Limited Partnerships). The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.

Risk of Default or Bankruptcy of Third Parties. The Adviser may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Adviser could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid.

### **Regulatory Risks**

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

Conflicts of Interest: In the administration of Client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the Client's interest is always held above that of the Firm and its associated persons.

Supervision of Trading Operations. The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and Client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a Client and the securities used to implement the investment strategy, Clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Reliance on Management and Key Personnel. Investors have no right or power to take part in the management of Elite. Accordingly, no investor should invest with Elite unless such investor is willing to entrust all aspects of management to Elite. The investment performance of Elites portfolios depends largely on the skill of key personnel of Elite, including, in particular, its sub advisors. If key personnel

were to leave Elite, it might not be able to find equally desirable replacements and the performance of the Elite portfolios could, as a result, be adversely affected.

### **Security Specific Risks**

Liquidity. Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation. The Portfolios may invest in thinly traded and relatively illiquid securities or those securities may not be traded at the time the Portfolios invest or may cease to be traded after the Portfolios invest. The Portfolios also may acquire significant positions in some securities. In such cases and in the event of extreme market activity, the Portfolios may not be able to liquidate its investments promptly if necessary. In addition, the Portfolios sales of thinly traded securities could depress the market value of those securities and thereby reduce the Portfolios profitability or increase its losses. Such circumstances or events could affect the Portfolios gain or loss materially and adversely.

Currency. Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Lack of Registration. LP interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

Withdrawal of Capital. The ability to withdraw funds from LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy.

### **Item 9 - Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving Elite or any of its employees.** Elite and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# **132122**. You may also research the background of Fariba Ronnasi by searching for her individual CRD # **4135998**.

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

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Elite is not registered and does not have an application pending as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

#### Lattice Capital Management, LLC

Fariba Ronnasi, President and Chief Compliance Officer ("CCO") of Elite, is also Director of Investor Relations and CCO of Lattice Capital Management, LLC ("Lattice") an affiliated SEC registered investment advisor. Lattice and Elite share office space and certain employees subject to Elite's

compliance program (“Supervised Persons”), which may at times create conflicts of interest and limit investment activities. Clients of Elite may receive recommendations to allocate a portion of their assets to the investment management services provided by Lattice. This may cause a conflict of interest in recommending Lattice. Clients of Elite are under no obligation to implement the recommendations made by Elite.

These and other persons associated with the General Partner or an Investment Manager have fiduciary duties both to the Partnership and to the Clients of the other investment firms with which they are associated. Their multiple roles may create conflicts of interest in selecting, negotiating and administering investments for the Partnership and the other firms’ Clients. These persons may give different or conflicting advice to the Partnership and the Clients of the other firms, depending on each Client’s investment considerations. They may be subject to compliance policies and trading restrictions imposed by those other firms that may have the effect of restricting their investment activities and the investment activities of the Partnership. The General Partner or a Manager may not be able to buy or sell certain securities at certain times, or take other action that might benefit the Partnership, because of confidential information they acquire or other trading limitations or compliance obligations they incur in connection with their other activities and those of their Affiliates. The General Partner and the Managers may have conflicts of interest over the amount of time they devote to the Partnership and the amount of time they and their Affiliates and principals devote to the other firms with which they are associated and their other accounts. The General Partner determines the value of the Partnership’s Securities and may have an incentive to overvalue those Securities to receive greater Management Fees and Special Profit Allocations than it otherwise would be entitled. The Managers may value the investments in the Portfolio Accounts and have the same incentive to overvalue them.

#### **Item 11 - Code of Ethics, Participation/Interest in Client Transactions, Personal Trading**

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

Elite has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons subject to Elite’s compliance program (our “Supervised Persons”). The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Elite and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Elite associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code of Ethics, please contact us at (425) 828-4300 or by email at [Fariba.Ronnasi@elitewm.com](mailto:Fariba.Ronnasi@elitewm.com).

##### **B. Personal Trading with Material Interest**

Elite allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Elite does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Elite does not have a material interest in any securities traded in Client accounts.

##### **C. Personal Trading in Same Securities as Clients**

Elite allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the



Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons of Elite may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Elite requiring reporting of personal securities trades by its Supervised Persons for review by the CCO. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

In addition the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of Supervised Persons, Supervised Person reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

#### **D. Personal Trading at Same Time as Client**

While Elite allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. **At no time will Elite, or any Supervised Person of Elite, transact in any security to the detriment of any Client.**

### **Item 12 - Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

Elite does not have discretionary authority to select the broker-dealer/custodian (“Custodian”) for custodial and execution services or the administrator for defined contribution accounts. The Client will select the Custodian to safeguard Client assets and authorize Elite to direct trades to this Custodian as agreed in the investment advisory agreement. Elite, or one of the sub-advisers appointed by Elite, may buy and sell securities for some of its Clients’ accounts pursuant to the Client’s authorization. There are no restrictions placed upon Elite that limit which security may be purchased or sold on behalf of the Client or the amount of any security purchased, sold or held in a Client’s account unless specifically identified in writing in the Client’s statement of investment policy or Client service agreement.

Although it is not common practice, if we believe it is in the best interest of the Client(s), we may choose to execute a transaction away from the custodian chosen by the Client.

Neither Elite nor its representatives will have the authority to withdraw funds or to take custody of Client funds or securities except for Elite’s investment management fees.

Elite may recommend a Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, access to Client records, trading support technology, and location of the Custodian’s offices. Elite does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

Elite will generally recommend that Clients establish their account[s] at Interactive Brokers LLC (“Interactive Brokers”) or Scottrade, Inc. (“Scottrade”), unaffiliated SEC-registered broker-dealers and

FINRA members. Interactive Brokers and Scottrade will serve as the Client's "qualified custodian". Elite maintains an institutional relationship with Scottrade and Interactive Brokers, where by Elite receives economic benefits (Please see Item 14 below). Clients are not obligated to use the recommended Custodian and will not incur any extra fee or cost associated with using a broker not recommended by Elite.

**B. Aggregating and Allocating Trades**

Elite may purchase and/or sell the same security for many accounts, even though each Client account is individually managed. When possible, Elite may also aggregate the same transaction in the same securities for many Clients for whom Elite has discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any.

If more than one price is paid for securities in an aggregated transaction, each Client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If Elite is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, Elite will allocate the filled portion of the transaction to Clients based on the initial pre-allocation or other written statement. This will be done in a way that does not consistently advantage or disadvantage any particular Client account(s).

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**Item 13 - Review of Accounts**

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**A. Frequency of Reviews**

We will review Client accounts on at least an annual basis to compare the Client's account performance to their stated goals.

**B. Causes for Reviews**

Elite will attempt to contact the Client at least quarterly, and will make written inquiry regarding changes in the Client's financial situation and needs or investment objectives. In addition, Elite will attempt to meet with the Client at least annually to review any changes in the Client's financial situation, needs or investment objectives, as well as the performance of the programs managed by the third party investment adviser(s).

**C. Review Reports**

The Client will receive statements regarding their account, its holdings, transactions and fees at least quarterly. Account custodians or money managers may prepare and distribute the statements from the custodian of the particular Client account.

Elite does not manage, oversee or report upon a Client's investment in Direct Participation Programs or any investment not specifically listed on the monthly statement from the account custodian unless specifically agreed to in writing by the Client and Elite.

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

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### **A. Compensation Received by Elite**

#### Institutional Platform Relationship

Elite participates in Interactive Brokers' and Scottrade's (the "Custodian") institutional customer program and the Advisor may recommend a Custodian to Clients for custody and brokerage services. There is no direct link between the Advisor's participation in the program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the program that are typically not available to Custodian's retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor participants; the ability to have advisory fees deducted directly from Client accounts; and discounts on research, technology, and related services provided to the Advisor by third party vendors. Some of the products and services made available by the Custodian through the program may benefit the Advisor but may not benefit its Client accounts. These products or services may assist the Advisor in managing and administering Client account[s], including accounts not maintained at the Custodian. The benefits received by the Advisor through participation in the program do not depend on the amount of brokerage transactions directed to the Custodian. As part of its fiduciary duties to Clients, Elite endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by Elite or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of the Custodian for custody and brokerage services.

#### Covestor

Elite may also receive compensation from Covestor Limited ("Covestor"), a registered investment advisor located in Boston, Massachusetts. Elite provides information to Covestor regarding a specific managed account, which Covestor then makes available to Covestor's clients for investment purposes. Covestor collects advisory fees from its clients and shares a portion of those fees with Elite pursuant to their agreement. Elite does not provide advice to Covestor or Covestor's clients. Clients of Elite are not obligated to create an account with Covestor.

### **B. Client Referrals from Solicitors**

Elite may, from time to time, enter into written agreements with certain individuals and entities who will act as solicitors of accounts for Elite. Each solicitor must enter into a written agreement with Elite and will receive a portion of the total fee paid to Elite for managing the account. The Client is not charged any additional amount in advisory fees as a result of these arrangements. An additional disclosure statement, listing compensation to be paid to solicitors, is provided to the Client prior to or at the signing of Elite's investment advisory agreement.

## **Item 15 - Custody**

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Elite does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor's fee and certain legacy trustee relationships. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct Elite to utilize that custodian for the Client's security transactions. Elite encourages Clients to

# Elite Wealth Management

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review statements provided by the account custodian. For more information about custodians and brokerage practices, see “Item 12 - Brokerage Practices”.

### **Item 16 - Investment Discretion**

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Elite generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Elite. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Elite will be in accordance with each Client's investment objectives and goals.

### **Item 17 - Voting Client Securities**

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Elite does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting

In the situation where the Client or Elite has chosen a Third Party Money Manager to perform the day-to-day portfolio management, the responsibility to vote the proxies normally rests with the Third Party Money Manager unless that right has been retained by the Client.

### **Item 18 - Financial Information**

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Neither Elite, nor its management, have any adverse financial situations that would reasonably impair the ability of Elite to meet all obligations to its Clients. Neither Elite, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Elite is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.

### **Additional Firm Disclosures (Business Continuity & Information Security)**

#### **Business Continuity**

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

#### **Disasters**

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

**Alternate Locations**

Alternate locations are identified to support on-going operations in the event the main office is unavailable. It is our intention to contact all Clients within five days of a disaster that dictates moving our office to an alternate location.

**Summary of Business Continuity Plan**

A summary of the business continuity plan is available upon request from the Chief Compliance Officer.

**Information Security Program**

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

**FORM ADV PART 2B**

**ELITE WEALTH MANAGEMENT, LLC**  
***1014 MARKET STREET***  
***KIRKLAND, WA 98033***

**PHONE: 425-828-4300**

**FAX: 425-828-9700**

**[www.elitewm.com](http://www.elitewm.com)**

**[fariba.ronnasi@elitewm.com](mailto:fariba.ronnasi@elitewm.com)**

This ADV2B (“Brochure Supplement”) provides information about *Fariba Ronnasi* that supplements the *Elite Wealth Management* Disclosure Brochure. You should have received a copy of that brochure. Please contact *Fariba Ronnasi, Chief Compliance Officer* if you did not receive the *Elite Wealth Management* brochure or if you have any questions about the contents of this supplement. Additional information about *Fariba Ronnasi* is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

***Effective Date: March 29, 2016***

***Fariba Ronnasi***

**Date of Birth:** 4/23/1968

**Educational Background:**

- *Bachelor of Arts in Finance, Seattle University*
- *Masters of Finance, Seattle University*

**Business Experience:**

- *President, Elite Wealth Management, LLC (2004 - present)*
- *Chief Investment Officer, Lattice Capital Management (2006 - present);*
- *Vice President & Managing Director, Columbia Financial Center (2001-2004)*

**Disciplinary Information:**

*Ms. Ronnasi has no legal or disciplinary events to disclose.*

**Other Business Activities:**

Lattice Capital Management

Fariba Ronnasi, is also the Chief Investment Officer of Lattice Capital Management, LLC ("Lattice") an affiliated SEC registered investment advisor. Lattice and Elite share office space and certain employees subject to Elite's compliance program ("Supervised Persons"), which may at times create conflicts of interest and limit investment activities. These and other persons associated with the General Partner or a Manager may have fiduciary duties both to the Partnership and to the clients of the other investment firms with which they are associated. Their multiple roles may create conflicts of interest in selecting, negotiating and administering investments for the Partnership and the other firms' clients. These persons may give different or conflicting advice to the Partnership and the clients of the other firms, depending on each client's investment considerations. They may be subject to compliance policies and trading restrictions imposed by those other firms that may have the effect of restricting their investment activities and the investment activities of the Partnership. The General Partner or a Manager may not be able to buy or sell certain Securities at certain times, or take other action that might benefit the Partnership, because of confidential information they acquire or other trading limitations or compliance obligations they incur in connection with their other activities and those of their Affiliates. The General Partner and the Managers may have conflicts of interest over the amount of time they devote to the Partnership and the amount of time they and their Affiliates and principals devote to the other firms with which they are associated and their other accounts. The General Partner determines the value of the Partnership's Securities and may have an incentive to overvalue those Securities to receive greater Management Fees and Special Profit Allocations than it otherwise would be entitled. The Managers may value the investments in the Portfolio Accounts and have the same incentive to overvalue them.

**Additional Compensation:**

As Chief Investment Officer of Lattice, Mrs. Ronnasi apportions her time between the related firms as necessary, and being related firms provides for economies of scale and efficient resource management, Ms. Ronnasi's business activities represent a substantial amount (greater than 10%) of her time and compensation.

**Supervision:**

*As Elite's founder, President and CCO, Ms. Ronnasi maintains the ultimate responsibility for the company's operations and supervisory structure. The firm maintains appropriate policies, procedures and operational controls.*

*Fariba Ronnasi's* contact information:

PHONE: 425-828-4300

EMAIL: [fariba.ronnasi@elitewm.com](mailto:fariba.ronnasi@elitewm.com)



**FORM ADV PART 2B**

**ELITE WEALTH MANAGEMENT, LLC  
1014 MARKET STREET  
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This ADV2B ("Brochure Supplement") provides information about Kevin Lennil that supplements the *Elite Wealth Management* Disclosure Brochure. You should have received a copy of that brochure. Please contact *Fariba Ronnasi, Chief Compliance Officer* if you did not receive the *Elite Wealth Management* brochure or if you have any questions about the contents of this supplement. Additional information about *Kevin Lennil* is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

***Effective Date: March 29, 2016***

***Kevin Lennil***

**Date of Birth:** 11/12/1985

**Educational Background:**

- *University of Washington, (2004 - 2008)*

**Business Experience:**

- *Portfolio Manager, Elite Wealth Management, LLC (2014 - present)*
- *Investment Manager, Lattice Capital Management (2013 – present)*
- *Managing Partner, Exagroup LLC (2009 – 2013)*
- *Owner, Lennil Enterprise (2007-2008)*

**Disciplinary Information:**

*Mr. Lennil has no legal or disciplinary events to disclose.*

**Other Business Activities:**

Mr. Lennil is also Investment Manager of Lattice Capital Management, LLC (“Lattice”) an affiliated SEC registered investment advisor. Lattice and Elite share office space and certain employees subject to Elite’s compliance program (“Supervised Persons”) which may at times create conflicts of interest and limit investment activities. These and other persons associated with the General Partner or a Manager may have fiduciary duties both to the Partnership and to the clients of the other investment firms with which they are associated. Their multiple roles may create conflicts of interest in selecting, negotiating and administering investments for the Partnership and the other firms’ clients. These persons may give different or conflicting advice to the Partnership and the clients of the other firms, depending on each client’s investment considerations. They may be subject to compliance policies and trading restrictions imposed by those other firms that may have the effect of restricting their investment activities and the investment activities of the Partnership. The General Partner or a Manager may not be able to buy or sell certain Securities at certain times, or take other action that might benefit the Partnership, because of confidential information they acquire or other trading limitations or compliance obligations they incur in connection with their other activities and those of their Affiliates. The General Partner and the Managers may have conflicts of interest over the amount of time they devote to the Partnership and the amount of time they and their Affiliates and principals devote to the other firms with which they are associated and their other accounts. The General Partner determines the value of the Partnership’s Securities and may have an incentive to overvalue those Securities to receive greater Management Fees and Special Profit Allocations than it otherwise would be entitled. The Managers may value the investments in the Portfolio Accounts and have the same incentive to overvalue them.

**Additional Compensation:**

As Investment Manager of Lattice, Mr. Lennil apportions his time between the related firms as necessary, and being related firms provides for economies of scale and efficient resource management, Mr. Lennil’s business activities represent a substantial amount (greater than 10%) of his time and compensation.

**Supervision:**

*Mr. Lennil is supervised by Fariba Ronnasi, CCO of Elite. Ms. Ronnasi maintains the ultimate responsibility for the company’s operations and supervisory structure. Elite maintains appropriate policies, procedures and operational controls.*

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***Kevin Lennil's contact information:***

**PHONE: 425-828-4300**

**EMAIL: *Kevin.lennil@elitewm.com***

**Privacy Policy**  
**March 29, 2016****Our Commitment to You**

Elite Wealth Management, Inc. (“Elite” or the “Advisor”) is committed to safeguarding the use of personal information of our Clients (also referred to as “you” and “your”) that we obtain as your Investment Advisor, as described here in our Privacy Policy (“Policy”).

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Elite (also referred to as “we”, “our” and “us”) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Elite does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

**Why you need to know?**

Registered Investment Advisors (“RIAs”) must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

**What information do we collect from you?**

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

**What Information do we collect from other sources?**

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

**How do we protect your information?**

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such

safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

#### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Elite does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Elite or the Client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> Elite does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

#### State-specific Regulations

California	In response to a California law, to be conservative, we assume accounts with California addresses do not want us to disclose personal information about you to non-affiliated third parties, except as permitted by California law. We also limit the sharing of personal information about you with our affiliates to ensure compliance with California privacy laws.
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**Changes to our Privacy Policy**

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

**Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (425) 828-4300.