

**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1**

OMB APPROVAL	
OMB Number:	3235-0049
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Estimated Average burden	
Hours per response	.....4.07

Name of Investment Adviser: Aequitas Wealth Management, LLC					
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
1901 Avenue of the Stars, 2nd Floor	Los Angeles	CA	90067	310-461-1430	

This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.

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<p><b>1. A. Advisory Services and Fees.</b> (check the applicable boxes)</p> <p>Applicant:</p> <p><input checked="" type="checkbox"/> (1) Provides investment supervisory services..... <span style="float: right;">60 %</span></p> <p><input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services..... <span style="float: right;">%</span></p> <p><input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above..... <span style="float: right;">25 %</span></p> <p><input type="checkbox"/> (4) Issues periodicals about securities by subscription..... <span style="float: right;">%</span></p> <p><input type="checkbox"/> (5) Issues special reports about securities not included in any service described above..... <span style="float: right;">%</span></p> <p><input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... <span style="float: right;">%</span></p> <p><input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... <span style="float: right;">15 %</span></p> <p><input type="checkbox"/> (8) Provides a timing service..... <span style="float: right;">%</span></p> <p><input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above..... <span style="float: right;">%</span></p> <p style="text-align: center;">(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)</p>	<p>For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)</p>								
<table style="width: 100%; border: none;"> <tr> <td></td> <td style="text-align: right; width: 10%;">Yes</td> <td style="text-align: right; width: 10%;">No</td> </tr> <tr> <td>B. Does applicant call any of the services it checked above financial planning or some similar term?.....</td> <td style="text-align: right;">[x]</td> <td style="text-align: right;">[ ]</td> </tr> </table>			Yes	No	B. Does applicant call any of the services it checked above financial planning or some similar term?.....	[x]	[ ]		
	Yes	No							
B. Does applicant call any of the services it checked above financial planning or some similar term?.....	[x]	[ ]							
<p>C. Applicant offers investment advisory services for: (check all that apply)</p> <table style="width: 100%; border: none;"> <tr> <td><input checked="" type="checkbox"/> (1) A percentage of assets under management</td> <td><input type="checkbox"/> (4) Subscription fees</td> </tr> <tr> <td><input type="checkbox"/> (2) Hourly charges</td> <td><input type="checkbox"/> (5) Commissions</td> </tr> <tr> <td><input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)</td> <td><input type="checkbox"/> (6) Other</td> </tr> </table>		<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees	<input type="checkbox"/> (2) Hourly charges	<input type="checkbox"/> (5) Commissions	<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input type="checkbox"/> (6) Other		
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<p>D. For each checked box in A above, describe on Schedule F:</p> <ul style="list-style-type: none"> <li>the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee</li> <li>applicant's basic fee schedule, how fees are charged and whether its fees are negotiable</li> <li>when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date</li> </ul>									
<p><b>2. Types of Clients</b> — Applicant generally provides investment advice to: (check those that apply)</p> <table style="width: 100%; border: none;"> <tr> <td><input checked="" type="checkbox"/> A. Individuals</td> <td><input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations</td> </tr> <tr> <td><input type="checkbox"/> B. Banks or thrift institutions</td> <td><input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above</td> </tr> <tr> <td><input type="checkbox"/> C. Investment companies</td> <td><input type="checkbox"/> G. Other (describe on Schedule F)</td> </tr> <tr> <td><input checked="" type="checkbox"/> D. Pension and profit sharing plans</td> <td></td> </tr> </table>		<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations	<input type="checkbox"/> B. Banks or thrift institutions	<input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above	<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)	<input checked="" type="checkbox"/> D. Pension and profit sharing plans	
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<input type="checkbox"/> C. Investment companies	<input type="checkbox"/> G. Other (describe on Schedule F)								
<input checked="" type="checkbox"/> D. Pension and profit sharing plans									

<b>3. Types of Investments.</b> Applicant offers advice on the following: (check those that apply)	
A. Equity Securities <input checked="" type="checkbox"/> (1) exchange-listed securities <input checked="" type="checkbox"/> (2) Securities traded over-the-counter <input checked="" type="checkbox"/> (3) foreign issuers  <input checked="" type="checkbox"/> B. Warrants  <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper)  <input checked="" type="checkbox"/> D. Commercial paper  <input checked="" type="checkbox"/> E. Certificates of deposit  <input checked="" type="checkbox"/> F. Municipal securities  G. Investment company securities <input checked="" type="checkbox"/> (1) variable life insurance <input checked="" type="checkbox"/> (2) variable annuities <input checked="" type="checkbox"/> (3) mutual fund shares	<input checked="" type="checkbox"/> H. Unites States government securities I. Options contracts on: <input checked="" type="checkbox"/> (1) securities <input type="checkbox"/> (2) commodities  J. Futures contracts on: <input type="checkbox"/> (1) tangibles <input type="checkbox"/> (2) intangibles  K. Interests in partnerships investing in: <input checked="" type="checkbox"/> (1) real estate <input checked="" type="checkbox"/> (2) oil and gas interests <input checked="" type="checkbox"/> (3) other (explain on Schedule F)  <input checked="" type="checkbox"/> L. Other (explain on Schedule F)
<b>4. Methods of Analysis, Sources of Information, and Investment Strategies.</b>	
A. Applicant's security analysis methods include: (check those that apply)	
(1) <input type="checkbox"/> Charting (2) <input checked="" type="checkbox"/> Fundamental (3) <input type="checkbox"/> Technical	(4) <input type="checkbox"/> Cyclical (5) <input checked="" type="checkbox"/> Other (explain on Schedule F)
B. The main sources of information applicant uses include: (check those that apply)	
(1) <input checked="" type="checkbox"/> Financial newspapers and magazines (2) <input type="checkbox"/> Inspections of corporate activities (3) <input checked="" type="checkbox"/> Research materials prepared by others (4) <input checked="" type="checkbox"/> Corporate rating services	(5) <input type="checkbox"/> Timing services (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission (7) <input type="checkbox"/> Company press releases (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)
C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)	
(1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) (3) <input type="checkbox"/> Trading (securities sold within 30 days) (4) <input type="checkbox"/> Short sales	(5) <input checked="" type="checkbox"/> Margin transactions (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies (7) <input type="checkbox"/> Other (explain on Schedule F)

<b>5. Education and Business Standards.</b>		
Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....	Yes [x]	No [ ]
(If yes, describe these standards on Schedule F.)		
<b>6. Education and Business Background.</b>		
For:		
<ul style="list-style-type: none"> <li>each member of the investment committee or group that determines general investment advice to be given to clients, or</li> <li>if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)</li> <li>each principal executive officer of applicant or each person with similar status or performing similar functions.</li> </ul>		
On Schedule F, give the:		
<ul style="list-style-type: none"> <li>name</li> <li>year of birth</li> </ul>	<ul style="list-style-type: none"> <li>formal education after high school</li> <li>business background for the preceding five years</li> </ul>	
<b>7. Other Business Activities.</b> (check those that apply)		
<input checked="" type="checkbox"/> A. Applicant is actively engaged in a business other than giving investment advice.		
<input type="checkbox"/> B. Applicant sells products or services other than investment advice to clients.		
<input type="checkbox"/> C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.		
(For each checked box describe the other activities, including the time spent on them, on Schedule F.)		
<b>8. Other Financial Industry Activities or Affiliations.</b> (check those that apply)		
<input type="checkbox"/> A. Applicant is registered (or has an application pending) as a securities broker-dealer.		
<input type="checkbox"/> B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.		
C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:		
<input type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm	
<input type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm	
<input type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency	
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant	
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="checkbox"/> (11) real estate broker or dealer	
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships	
(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)		
D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?.....		
		Yes No <input type="checkbox"/> <input checked="" type="checkbox"/>
(If yes, describe on Schedule F the partnerships and what they invest in.)		

**9. Participation or Interest in client Transactions.** (check those that apply)

Applicant or a related person:

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and stat that you will provide a copy of your code of ethics to any client or prospective client upon request.

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ..... ☒ Yes ☐ No

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. See Schedule F for details
- B. See Schedule F for details

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |   |                                     |                                     |
|---|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold?.....               | Yes                                 | No                                  |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold?..... | Yes                                 | No                                  |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (3) broker or dealer to be used?.....                   | Yes                                 | No                                  |
|   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (4) commission rates paid?.....                         | Yes                                 | No                                  |
|   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?.....

Yes No  
☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) Or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness Of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?.....
- |                                     |                          |
|-------------------------------------|--------------------------|
| Yes                                 | No                       |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> |
- B. directly or indirectly compensates any person for client referrals?.....
- |                          |                                     |
|--------------------------|-------------------------------------|
| Yes                      | No                                  |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?.....	Yes	No
	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

Aequitas Wealth  
Management, LLC

SEC File Number:

Date:

03/12/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**AEQUITAS WEALTH MANAGEMENT, LLC**

IRS Empl. Ident. No.:

38-3756266

**Item of Form**

Answer

Item 1. A. (1)

**INTRODUCTION**

Aequitas Wealth Management's ("AWM") provides Portfolio Management Services and Financial Planning Services to build and preserve wealth for individuals and institutions. As a "fee only" advisor, AWM does not accept commissions or finder's fees nor receive any other remuneration contingent upon the purchase or sale of any product by a Client. We are compensated only by the fees paid directly by our Clients.

**INVESTMENT ADVISORY SERVICES**

AWM's Portfolio Management Services ("PMS") begin with the identification of each Client's investment objectives, goals and financial situation in order to design a suitable securities portfolio and then to manage it on an ongoing discretionary basis.

**1. Identifying a Client's investment objectives and goals.**

This includes objectives and goals in areas such as: wealth accumulation, investment tax mitigation, estate planning, retirement income, college planning, cash flow, charitable interests, career aspirations, family legacy, business succession and personal interests.

**2. Identifying a Client's financial situation.**

AWM will gather financial information from the Client with respect to the stated goals and objectives. This information includes the time horizon for investment, risk tolerance and income tax status. In addition, to the degree each Client feels comfortable, the following types of information may be communicated: current investments, bank accounts, insurance policies, real estate holdings, estate planning, business and professional interests, international and offshore holdings, current income, cash flow, mortgages, credit lines, savings rates, anticipated inheritances and family status. In our experience, the more that is known about a Client's entire financial situation, the better a portfolio can be constructed and managed to maximize returns and overall economic wealth for the Client while fully taking advantage of tax and risk mitigation strategies.

### 3. Developing a diversified portfolio.

We rely on information supplied by the Client to design an investment plan for the Client's particular circumstances. Clients have the opportunity to place reasonable restrictions on the types of investments which will be made on the Client's behalf.

Using the information gathered in the first two steps, AWM will research and develop a portfolio consisting of various investment alternatives (Exchange Traded Funds, no-load mutual funds, individual bonds, etc.) that represent different asset classes and collectively function to minimize volatility.

Clients retain individual ownership of all investment securities.

### 4. Investing.

The investment action plan will depend upon the assets to be invested, their existing cost basis as well as the Client's comfort level concerning investing all at once or incrementally via dollar cost averaging. Special attention is given to managing the possible tax consequences.

### 5. Managing the portfolio on an ongoing discretionary basis.

The portfolio is regularly monitored and rebalanced as necessary, with an attention to tax implications, using proprietary asset allocation rebalancing parameters methods developed by AWM and in consideration of the Client's changing financial and lifestyle circumstances.

AWM does not have custody of the Client's assets in any form.

## **FEES FOR PORTFOLIO MANAGEMENT SERVICES**

### **PORTFOLIO MANAGEMENT FEE SCHEDULE**

PORTFOLIO BALANCE		Quarterly Fee on Balance	Annual Fee on Balance
First	\$ 1,000,000	0.25000 %	1.000 %
\$1,000,001 - \$ 3,000,000		0.22500 %	0.900 %
\$3,000,001 - \$ 5,000,000		0.18750 %	0.750 %
\$5,000,001 - \$ 7,500,000		0.15625 %	0.625 %
\$7,500,001 - \$10,000,000		0.12500 %	0.500 %
Above	\$10,000,000	Negotiable	Negotiable

A minimum of \$1,00,000 of assets under management is required for this service.



## **BILLING DETAILS**

AWM's Portfolio Management fee is charged quarterly in arrears. AWM will provide each Client with a quarterly invoice delivered via post or email for the Client's records. The quarterly billing activity also appears on the Client's statements furnished by the custodian.

The Client's fee will be determined by combining the fair market value (as measured on the last business day of the prior calendar quarter) for the collective value of all of a Client's portfolios under management. In the beginning of a new relationship, the first quarter's fee will be billed pro rata according to the date the Client's assets came under AWM's management. The pro rata calculation is based on a 90 day quarter.

The Client agrees to authorize custodian(s) of the Client's money to withdraw fees from the Client's account(s) and then electronically transfer these fees to AWM, unless otherwise agreed.

## **GENERAL INFORMATION ON FEES AND SERVICES**

### Negotiability of Fees and Minimum Requirements

In certain circumstances, at the sole discretion of AWM, fees and account minimums may be negotiable.

### Fee Calculation of Portfolio Management Service

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains or capital appreciation of the funds or any portion of the funds of an advisory Client.

### Advisory Fees In General

Clients are advised that lower or higher fees for comparable services may be available from other sources.

### Additional Expenses

Additional expenses such as brokerage commissions on purchase and sale of securities, bond markups or markdowns, equity bid / offer spreads, mutual and exchange traded fund management fees, legal fees, tax return preparation fees, custodial fees, trustee fees, banking fees, wire transfer fees, and other ancillary service fees will be borne by the Client.

### Proxy Voting

As a matter of policy and practice, AWM does not have any authority to vote and does not vote proxies on behalf of advisory Clients.

### Termination of Portfolio Management Services

Either the Client or AWM may terminate the agreement at any time, for any reason, with 30 days written notice to the other party. Fees will be prorated to the date of termination. The Client may terminate the agreement and receive a full refund of any fees paid to the advisor by giving the written notice within (5) five days after the date of the agreement.

Item 1. A. (3)

### **FINANCIAL PLANNING SERVICES**

Financial Planning ("FP") services involve ascertaining the Client's financial situation, related information, goals and objectives, determining the areas or issues to be addressed and then researching, analyzing, and testing in view of developing recommendations designed to achieve the Client's goals and objectives.

Planning services may be provided for one or more specific areas or issues such as current portfolio review or analysis, portfolio allocation and investment recommendations, retirement capital needs analysis, insurance review, cash flow analysis, college education funding, or estate plan review. A written document presenting the analysis and recommendations will be delivered to the Client.

AWM's Financial Planning approach is a six step process:

1. Establishing and defining the relationship between the Client and AWM
2. Gathering, organizing your information including goals and objectives
3. Analyzing and evaluating the Client's financial status
4. Developing and presenting our recommendations and/or alternatives
5. Implementing the recommendations
6. Monitoring the plan and the implemented decisions

### **FINANCIAL PLANNING FEES**

Financial Planning services are typically proposed in conjunction with AWM's Portfolio Management Service; at AWM's discretion, FP services may also be offered on a standalone basis. When performed on a stand-alone basis, financial planning fees are charged on a flat fee project basis.

Upon completion of an initial meeting where the scope of the plan is determined, AWM will provide a proposal and a cost estimate. One half of the amount is due upon signing of the Client agreement, and the balance of fees is due immediately upon presentation of recommendations to the Client. The FP service includes a period of one year to implement and monitor the plan.

The Financial Planning agreement may be terminated at any time, by either the Client or by AWM for any reason, upon written notice to the other party.

For a full refund, the Client must terminate the agreement in writing no later than two (2) business days from signing the contract. After two (2) business days and up to and through

five (5) business days all unearned fees will be returned. Earned fees are determined by multiplying the hourly rate of \$350 by the actual number of hours expended on preparing the plan. After 5 business days, the total estimated fees are due.

Item 1. A. (7)

AWM's Financial Planning services may involve the analysis of assets or financial matters that are not considered securities, such as real estate holdings, insurance policies, business interest structuring, personal property, credit or loans outstanding, cash flows, social security benefits, etc. As necessary, AWM may recommend that the Client seek the advice of a third party expert. AWM may assist the Client in selecting a professional, if requested.

Item 3. K. (3)

AWM may advise Clients who express an interest in investing in "Tenants in Common" real estate partnership interests, "Trust Deed" investments in real estate mortgage financing arrangements or collateralized receivables.

Item 3. L.

AWM may offer advice, if requested, on a Client's existing holdings of hedge funds, private equity, private placements, investment partnerships, venture capital funds, structured offerings, derivatives, commodities and precious metals.

Item 4. A. (5)

**INVESTMENT PHILOSOPHY AND METHODOLOGY**

Aequitas Wealth Management follows a disciplined process based on three steps:

1. Diversification and Asset Allocation

In developing a portfolio, AWM's goal is to create a strategic diversification of stock and bond investments that collectively function to maximize investment returns while mitigating risk, taxes and expenses.

AWM first considers diversification among stocks and bonds suitable to the Client's risk tolerance, goals and investment horizon. Second, AWM then considers which stock classes (US, international, emerging markets, etc.) and which bond classes (government, municipal, corporate, etc.) are appropriate to fully diversify the Client's portfolio. Third, these classes are further diversified by market capitalization (large, mid size and small companies) as well as by the stock price orientation where those companies being undervalued are considered as "value" stocks and the others considered "growth".

The portfolio for a specific Client is designed to accommodate each Client's unique objectives and constraints and is expected to achieve a Client's rate-of-return goal, while minimizing the portfolio's risk, as measured by standard deviation (the variability of the overall portfolio).

## 2. Investment Selection

AWM's preferred approach is conservative and long-term. Short-term trading is not practiced, and AWM does not attempt to time the market.

### **Stocks**

A Client's target stock asset allocations are implemented using primarily Exchange Traded Funds, index funds, and "no load" and/or "no transaction fee" funds. Funds are screened according to proprietary criteria for each equity style, geography, capitalization and value orientation.

### **Bonds**

Bonds are first and foremost a means to stabilize a portfolio, and second a means to enhance its returns. AWM uses primarily Exchange Traded Funds, individual investment grade bonds, those with ratings of BBB or higher as classified by Standard & Poor's or Baa or higher as classified by Moody's Investors Services. AWM will at times buy lower valued bonds via a diversified Exchange Traded Fund or a "no load" mutual fund. Bond "laddering" strategies are often employed within a portfolio, where bonds of equal amounts are purchased with staggered maturities.

### **Cash**

For target cash allocations and accrued balances, AWM utilizes money market mutual funds and or brokerage "sweep" accounts. Cash is managed to earn a competitive yield.

## 3. Ongoing Management

AWM will rebalance a portfolio as market movements warrant. Such rebalancing is triggered by the changes in percentage of each asset class, capitalization and orientation and not by a given time frame. Market movements and changes are monitored closely by means of a proprietary methodology developed by Aequis Wealth Management that ensures a Client's portfolio remains well diversified and is managed within his or her accepted risk tolerances.

### Item 4. B. (8)

AWM relies upon financial academic research, studies, journals, investment texts, and statistical, current and historical financial data information from organizations such as Morningstar. AWM may also take into account factual and historical information provided by Wall Street firms.

### Item 5.

Advisory persons associated with AWM must possess at a minimum a Bachelor's degree from an accredited 4 year college or university, appropriate business experience, as well as all required licenses. Ongoing participation in continuing education programs made available to financial services professionals is also required. Advisory persons must also hold the "Certified Financial Planner" CFP® designation or be in the process of completing the qualifying program.

Item 6.		
<b>JOSEPH P. ALEXOPOULOS</b>	1970	Year of Birth
<b><i>Education:</i></b>		
BS Business Administration	1992	Bryant University, North Smithfield, Rhode Island
MBA	2000	University of Southern California – Marshall School of Business, Los Angeles, California
NASD Series 65	2005	
Personal Financial Planning Certificate	2006	University of California Los Angeles – Extension
CFP®	2006	Certified Financial Planner Board of Standards, Inc., Denver, Colorado
<b><i>Professional Experience:</i></b>		
Principal	2005 +	Aequitas Wealth Management, LLC
Private Banker	2002-2004	The Citigroup Private Bank, Geneva, Switzerland
Financial Advisor	1994-2001	Fidelity Investments, Los Angeles, CA
<b>SARAH M. LEWIS</b>	1959	Year of Birth
<b><i>Education:</i></b>		
BA Business Administration	1981	Drury University, Springfield, Missouri
MBA	1983	Thunderbird School of Global Management, Glendale, Arizona
NASD Series 65	2006	
CFP Professional Certification	2006	College for Financial Planning Greenwood Village, Colorado
Professional Education Program		
CFP®	2007	Certified Financial Planner Board of Standards, Inc., Denver, Colorado
<b><i>Professional Experience:</i></b>		
Principal	2006 +	Aequitas Wealth Management, LLC
Head of Marketing	1999-2005	Crédit Agricole SA, Paris, France
Senior Consultant	1995-1999	Ernst & Young Consulting, Paris, France

Item 7. A.

AWM offers financial planning services that include non-investment advice related activities such as cash flow analysis and budgeting, insurance and risk management review, estate planning review. Such activities may represent up to 15% of the advisor's time.

Item 9. Code of Ethics

***Fiduciary Responsibility***

AWM will always exercise its best efforts to act in good faith and in the best interests of the Client. We strive to be as unbiased as possible in providing advice to Clients. We will provide written disclosure to the Client of any conflicts of interest which may compromise our impartiality or independence.

***Fee-only***

AWM restricts its compensation solely and exclusively to the professional fees it receives directly from the Client for professional services performed for the Client. We do not receive any compensation or other remuneration that is contingent upon any purchase or sale of a financial product by the Client. Further, we do not receive a fee or other compensation from any other party based on referral of the Client or for the Client's business. We also reserve the option to agree on alternative fee arrangements when they are in the Client's best interests.

***Confidentiality***

We will maintain and safeguard all confidential Client information in accordance with the Client's instructions and all applicable laws. Relations with Clients will be kept private.

***Competence***

We will strive to maintain a high level of knowledge and ability. We will participate in continuing education and will not provide advice in areas where we are not capable.

***Diligence***

We will ensure the accuracy and completeness of records, information, and data collected, used and managed, and will take necessary steps to correct any discrepancies.

***Integrity and Honesty***

We will endeavor to always take the high road and to be ever mindful of the potential for misunderstanding that can accrue in normal human interactions. We will be diligent to keep actions and reactions so far above board that a thinking Client, or other professional, would not doubt our intentions. In addition to serving our Clients, we aim to have honest and ethical dealings with all staff members and outside parties doing business with AWM.

***Regulatory Compliance***

We will comply fully with applicable laws and internal regulations.

AWM will provide a copy of our Code of Ethics to any Client or prospective client upon request.

Item 9. E.

### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

AWM or individuals associated with AWM may buy or sell securities identical to or different from than those recommended to clients for their personal accounts. As these situations may represent a conflict of interest, AWM has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A principal or employee of AWM will not buy or sell securities for his or her personal portfolio(s) where such decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of AWM will prefer his or her own interest to that of the advisory client.
2. AWM maintains a list of all securities holdings for itself and anyone associated with this advisory practice with access to advisory recommendations. A principal of the firm reviews these holdings as necessary.
3. AWM emphasizes the unrestricted right of the Client to decline to implement any advice rendered, except in situations where AWM is granted discretionary authority of the Client's account.
4. AWM emphasizes the unrestricted right of the Client to select and choose any broker or dealer, custodian, and/or insurance company (s)he wishes.
5. AWM requires that all individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
6. AWM may aggregate Client trades, providing that the following conditions are met:
  - AWM will not aggregate transactions unless it believes that aggregation is consistent with the terms of AWM's Portfolio Management Services agreement with each Client for which trades are being aggregated;
  - No advisory Client will be favored over any other Client; each Client that participates in an aggregated order will participate at the average share price for all AWM's transactions in a given security on a given business day;
  - If the aggregated order is filled in its entirety, it will be allocated among Clients in accordance with the daily trading log; if the order is partially filled, it will be allocated on a pro-rata basis.
  - AWM will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation; and
  - Individual advice and treatment will be accorded to each advisory Client.
7. Any individual not in observance of the above may be subject to termination.

Item 10.

## **CONDITIONS FOR SERVICES**

### Investment advisory services

A minimum of \$1,00,000 of assets under management is required for the investment advisory service.

### Financial planning services

There are no account minimums which are prerequisites for any financial planning service. AWM typically offers financial planning services in conjunction with portfolio management services. They may be offered on a standalone basis as a flat fee project at AWM's sole discretion.

Account minimum and fees may be negotiable under certain circumstances at the sole discretion of AWM.

Item 11. A.

## **REVIEW OF ACCOUNTS**

AWM reviews a Client's portfolio(s) on a monthly basis (or more frequently as the investment and economic environment warrant) by measuring the asset allocation percentages with the target allocation, asset class risk levels, rate-of-returns, and market values. Periodically, and following significant market moves, AWM may rebalance a Client's portfolio to the Client's target asset allocation, if the trades are expected to result in a benefit to the Client.

During the Client's periodic review meeting, AWM re-educates the Client about its investment strategy, explains the past period's results for the portfolios owned by the Client, and may provide information on investment products and services, and new academic research that affects the Client. Clients re-educate AWM as well, updating their financial status, objectives, and constraints, and focusing on any changes since the last meeting.

With respect to the new updated information, if it is expected to result in a benefit to Client, AWM will reallocate the Client's portfolio. AWM then recalculates an adjusted or entirely new "target asset allocation" expected to achieve the Client's newly updated rate-of-return goal(s), designed for the Client's then current unique objectives and constraints.

Item 11. B.

## **NATURE AND FREQUENCY OF REPORTS**

Clients will receive from the custodian of their securities portfolio(s) at least a quarterly account statement. Additionally, Clients will be able to access their accounts online via the Internet at anytime. If an issue surrounding service (duplicate account statement, re-order checks, etc.) needs to be addressed, the Client may contact the custodian directly to expedite such requests.

Financial planning Clients will not receive regular reports due to the nature of the service.



Item 12. A. (1)

### **INVESTMENT DISCRETION**

For Portfolio Management Services, AWM will have the discretionary authority to select the securities as well as the amount thereof for Client's account(s). Such authority is granted to AWM by the Client's signature of AWM's Portfolio Management Services contract between AWM and the Client(s) as well as by the Client's authorization on the account application. These agreements authorize the brokerage firm to accept trading instructions from AWM on behalf of the Client's account(s). Other than trade instructions and an authorization to the custodian to allow debit of the Client's account(s) for AWM's agreed upon quarterly PMS fee, AWM has no authority to transfer or otherwise withdraw assets or funds from the Client's account(s). The Client may also elect to authorize AWM to transfer Client funds between identically titled Client accounts.

For the Financial Planning services, AWM will NOT have authorization to transact in any way, any financial or other matter(s) on the Client's behalf.

### **BROKERAGE RECOMMENDATIONS**

Because AWM does not have the discretionary authority to determine the broker dealer to be used or the commission rates to be paid, Clients must direct AWM as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that AWM will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. A disparity in commission charges may exist between the commissions charged to other Clients.

For Clients in need of brokerage or custodial services, and depending on Client circumstances and needs, AWM may recommend one of several broker dealers, provided that such recommendation is consistent with AWM's fiduciary duty to the Client. AWM Clients must evaluate these brokers before opening an account. The factors considered by AWM when making this recommendation are the broker's ability to provide professional services, AWM experience with the broker, the broker's reputation, and the broker's quality of execution services and costs of such services, among other factors.

Clients are under no obligation to effect trades through any recommended broker. AWM reserves the right to decline acceptance of any Client account that directs the use of a broker dealer if AWM believes that the broker dealer would adversely affect AWM's fiduciary duty to the Client and/or ability to effectively service the Client portfolio.

### **FINANCIAL PLANNING SERVICES**

Depending on the planning areas or issues selected by the Client (for example, planning in the area of investments or retirement), AWM may review and recommend changes to the Client's current financial situation. The decision to implement or not implement any recommendations is entirely at the Client's discretion. As such, Clients will be required to select their own broker dealer, insurance companies or providers of other services for the implementation of

recommendations. AWM may recommend product or service providers. The factors considered by AWM when making this recommendation are the provider's ability to provide professional services, the quality and characteristics of the product or services, AWM experience with the provider, the provider's reputation, and the provider's financial strength, among other factors.

Item 12. A. (2)

See Item 12. A. (1)

Item 12. B.

AWM does not receive any commission or other incentive to utilize one broker versus another. Therefore, AWM may recommend execution broker(s) or custodian(s) such as Charles Schwab, TD Ameritrade, Brown & Company, Scottrade, or Fidelity Investments that offer, in AWM's opinion, a high quality service. Clients may instruct AWM to use any broker or custodian of their choice.

See also Item 12. A. (1)

Item 13. A.

AWM may receive research services, computer software, technical advice, and publications, electronic database updates, marketing materials, services and or referrals of prospective clients from brokers, dealers or other trade associations. The receipt of such reports and or services is not directly connected to the recommendation of brokerage / custody services to advisory Clients, but may create a possible conflict of interest that Clients should be aware of in assessing AWM's recommendations.

**FINAL SEPARATE NOTE:**

This document provides information about the qualifications and business practices of Aequis Wealth Management. Please contact Joseph P. Alexopoulos or Sarah M. Lewis, Principals, if you have any questions about its contents. The information in this document has not been approved or verified by the United States Securities and Exchange Commission or by any State securities authority.