

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

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| | | | | | |
|-----------------------------|---------------------|--------|---------|------------|-------------------------------------|
| Name of Investment Adviser: | | | | | |
| Address: | (Number and Street) | (City) | (State) | (Zip Code) | Area Code: Telephone number: () |

**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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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form
are not required to respond unless the form displays a currently valid OMB control number.**

FORM ADV
Part II - Page 2

Applicant:

SEC File Number:
801-

Date:

- 1. A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | | | | |
|--------------------------|-----|---|-------|---|
| <input type="checkbox"/> | (1) | Provides investment supervisory services | _____ | % |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | _____ | % |
| <input type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | _____ | % |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | _____ | % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | _____ | % |
| <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 | _____ | % |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | _____ | % |
| <input type="checkbox"/> | (8) | Provides a timing service | _____ | % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | _____ | % |

(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.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? ☐ Yes ☐ No

- C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|---|--|
| <input 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 type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

- D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- 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

- 2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- | | |
|--|---|
| <input type="checkbox"/> A. Individuals | <input type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input 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 type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Applicant:

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Date:

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|---|
| <input type="checkbox"/> A. Equity securities | <input type="checkbox"/> H. United States government securities |
| <input type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|--|--|
| (1) <input type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|--|--|
| (1) <input type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases |
| (4) <input type="checkbox"/> Corporate rating services | (8) <input 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 type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Date:

5. Education and Business Standards.

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 ☐ No
(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- 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)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ 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.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ 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

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ 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 state 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. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

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Applicant:

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801-

Date:

12. Investment or Brokerage Discretion.

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

- | | Yes | No |
|--|--------------------------|--------------------------|
| (1) securities to be bought or sold? | <input type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input type="checkbox"/> | <input 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 product 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 <input type="checkbox"/> | No <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input type="checkbox"/> | No <input 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 only 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

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

| | | | | |
|--|--|---------------------------------|------------------|-----------------------|
| Schedule F of | | Applicant: | SEC File Number: | Date: |
| Form ADV | | | | |
| Continuation Sheet for Form ADV Part II | | Alterna Wealth Management, Inc. | 801- N/A | June 14, 2010 |
| (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: | | | | IRS Empl. Ident. No.: |
| Alterna Wealth Management, Inc. | | | | 20-2427303 |
| Item of Form | | | | |
| (identify) | Answer | | | |
| Introduction | <p>This document is being offered to you on behalf of Alterna Wealth Management, Inc. (“AWM”) so as to provide you with information about the services AWM provides and the manner in which those services are made available to its clients.</p> <p>A copy of this disclosure document shall be provided to the client prior to, or contemporaneously with, the execution of any Client Advisory Agreement (“CAA”) between each client and AWM. Any client who has not received a copy of AWM’s written disclosure statement at least forty-eight (48) hours prior to executing any advisory agreement shall have five (5) business days subsequent to executing the agreement to terminate AWM’s services and to receive a full refund of all client monies already paid without penalty.</p> <p>Prior to engaging AWM to provide investment advisory services, the client will be required to enter into an advisory agreement with AWM and a separate custodial/clearing agreement. The advisory agreement shall set forth the terms and conditions of the engagement, and describes the scope of the services to be provided and the fees for such.</p> <p>In performing its services, AWM shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely thereon. If requested by the client, AWM may recommend and/or engage the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from AWM.</p> <p><u>Privacy Policy</u></p> <p>All information given to AWM and all recommendations and advice furnished by AWM to the client will be kept confidential and will not be disclosed to anyone, except as AWM may agree in writing or as may be required to do so by law.</p> <p>AWM will collect non-public personal information (“NPI”) about the client as part of this engagement. This information will be obtained directly from the client and includes details such as the client’s date of birth, social security number, financial account numbers and balances, tax returns, sources and amounts of income, home addresses, telephone numbers, and other such personal information.</p> <p>As part of AWM’s policy, AWM restricts access to confidential personal information about the client to those AWM employees who need to know that information in order to provide products or services to the client. AWM maintains physical, electronic, and procedural safeguards to comply with federal standards to guard the client’s confidential personal information.</p> <p>Should a client agree to accept investment advisory services provided by AWM, AWM may share the client’s NPI with non-affiliated third parties. AWM may maintain agreements with various affiliated or non-affiliated entities who may act as the custodian and account holder for the clients of AWM and securities may be offered through such entities if properly engaged by AWM. AWM will share only the appropriate customer NPI necessary to ensure that AWM is able to provide the highest level of service to the client.</p> | | | |

| | |
|-----------------------------|--|
| Introduction (continued) | <p>Use of nonpublic information of former clients. AWM will provide nonpublic information about former clients only if required to do so by law or regulation or to those parties who need such information in order for the firm to carry out any continued obligation with respect to the services covered by the former adviser/client relationship.</p> <p>Should the client prefer, AWM will not disclose confidential personal information about the client to non-affiliated third parties. The client may opt out of those disclosures; that is, the client may direct AWM not to make those disclosures (other than disclosures required or permitted by law). Should the client wish to opt out of disclosures to non-affiliated third parties, he/she may call the following number: (954) 703-2020 or rkonrad@alternacap.com.</p> <p><u>Proxy Voting</u></p> <p>AWM intends to offer its clients the option of AWM voting proxies on their behalf. This service will not be aggressively promoted and shall be offered only as a matter of convenience and must be specifically authorized by each client on whose behalf AWM performs such services. In the event that AWM is provided authorization by a client to vote proxies on behalf of such client, AWM shall prepare and install procedural safeguards to allow for this service to occur in full conformity to the requirements set forth under Rule 206(4)-6 under the Investment Advisers Act of 1940 and/or any applicable state-specific requirements related to such activities.</p> |
| Item 1.A.(1) | <p>Service(s) provided: AWM may provide investment supervisory services. Such service shall be provided on a discretionary basis and would include ongoing monitoring and supervision of the client's account(s).</p> <p>In order to determine a suitable course of action for an individual client, AWM shall perform a review of the client's financial circumstances. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client's particular circumstances.</p> <p>Some examples of AWM's investment advisory services may include the following:</p> <ul style="list-style-type: none"> • AWM may design, revise, and reallocate a client's custom portfolio. Investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors. Restrictions and guidelines imposed by the client may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and the client should not expect that the performance of his/her custom portfolios will be identical to any other individual's portfolio performance). <p>In making investment decisions on behalf of the client, AWM shall rely on a client profile document or client questionnaire, which would be completed by the client.</p> <p>Fees for AWM's advisory services described in this section may involve the following fee types.</p> <ul style="list-style-type: none"> • Percentage of assets under management. <p>Please refer to Item 1.D below for specific details related to the fees AWM may charge for its investment supervisory or asset management services.</p> |
| Item 1.A(3) | <p>As a part of the AWM's portfolio management services, the firm may provide the client with a financial plan. In order to determine a suitable course of action for an individual client, AWM will perform a review of the variables that are presented by the client. This review may include, but would not necessarily be limited to, investment objectives, consideration of the client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client's particular</p> |

| Item 1.A(3) (continued) | <p>circumstances.</p> <p>AWM will review the client’s present financial situation and may issue a written analysis and report of recommendations in accordance with the client’s goals and objectives. This service may include an initial consultation and subsequent follow-up visits. As AWM will be responsible for the implementation of the plan, there is no separate fee for this service.</p> | | | | | | | | | | |
|--|--|------------------|-------------------|---------------------|--------|------------------------|-------|----------------------|-------|--|--|
| Item 1.D | <p>The following information shall address the fees that AWM may charge for the services described in the previous sections. Information noted below shall address the general fee ranges, calculation methods, billing frequency, and manner of billing.</p> <p><i>Annual Asset-Based Fee.</i></p> <table border="1" data-bbox="412 573 1370 825"> <thead> <tr> <th>Account(s) Value</th><th>Annual Percentage</th></tr> </thead> <tbody> <tr> <td>Less than \$500,000</td><td>1.50 %</td></tr> <tr> <td>\$500,001– \$2,000,000</td><td>1.25%</td></tr> <tr> <td>\$2,000,001 – and up</td><td>1.00%</td></tr> <tr> <td colspan="2">This schedule is used as a guideline only; all fees are subject to negotiation at the sole discretion of AWM with a maximum rate not to exceed 2.99%.</td></tr> </tbody> </table> <p>Assessment of Annual Asset-Based Fees (in ADVANCE). AWM shall bill client on a monthly (calendar) basis. The first bill (“inception bill”) shall be calculated and prorated according to the date (“inception date”) of execution of the CAA and shall be payable at the end of the calendar month in which the initial meeting between the client and AWM takes place. The inception bill shall be based upon a percentage of assets in client’s account(s) as of the inception date. This fee portion shall be referred to as the “inception fee.”</p> <p>At the same time the inception fee is calculated, AWM shall also calculate, in advance, the next month’s fee based upon a percentage of the assets contained in client’s account(s) as of the last business day of that calendar month. This fee amount shall be calculated by assessing one month (1/12) of the total annual percentage charged against the assets in client’s account(s). Client’s first bill shall include the inception fee and the first full month’s fee (advanced). Thereafter, each subsequent monthly fee shall be calculated, in advance, based upon the dollar amount of assets in client’s account(s) as of the last business day of each calendar month.</p> <p>In the event of termination, the client will receive a pro rata refund of any pre-paid fees attributable to any period after the date of termination.</p> <p><i>Other Fee Considerations:</i></p> <p><i>Billing by custodian.</i> Contemporaneously with the execution of the CAA, the client may be asked to sign an authorization that will allow the custodian of any of his/her accounts to debit the account(s) the amount of AWM’s advisory fee and remit the fee to AWM. The authorization will remain valid until a written revocation of the authorization is received by AWM. In connection with this fee deduction process, the custodian will send to the client a statement, at least quarterly, indicating:</p> <ul style="list-style-type: none"> • all amounts disbursed from the account, and • the amount of advisory fees paid directly to AWM. <p><i>Via direct billing.</i> If so desired, the client may choose to be billed directly by AWM for AWM’s fees. If so chosen, the client shall be invoiced by the fifth business day of the month subsequent to the most recently ended calendar quarter. Payments shall be due on or by the final business day of the month in which the</p> | Account(s) Value | Annual Percentage | Less than \$500,000 | 1.50 % | \$500,001– \$2,000,000 | 1.25% | \$2,000,001 – and up | 1.00% | This schedule is used as a guideline only; all fees are subject to negotiation at the sole discretion of AWM with a maximum rate not to exceed 2.99%. | |
| Account(s) Value | Annual Percentage | | | | | | | | | | |
| Less than \$500,000 | 1.50 % | | | | | | | | | | |
| \$500,001– \$2,000,000 | 1.25% | | | | | | | | | | |
| \$2,000,001 – and up | 1.00% | | | | | | | | | | |
| This schedule is used as a guideline only; all fees are subject to negotiation at the sole discretion of AWM with a maximum rate not to exceed 2.99%. | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-------------------------|--|-------------------------|-----------------------|--|-------------|--|--|--|--------------------|-----------------------|--------------|---------------------|----------------------|-------------|--|--|--|---------------|--------------|--------------|---------------------------------|-----|-------------------|---------------------------------|-----------|-------------------|---------------------------------|--------------------------|-------------------|------------------------------------|---------------------------|-------------------|-----------------------|-----|-------------------|--|-------------------|-------------------|----------------|---------|-------------------|
| Item 1.D (continued) | <p>invoice is generated.</p> <p>AWM, in its sole discretion, may charge a lesser or no advisory fee based upon certain criteria (i.e. anticipated future earnings capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with the client, etc.). No increase in AWM’s fee(s) shall be effective without prior written notification of at least thirty (30) days to the client. A portion of the fees paid to Adviser will be shared with the Investment Adviser Representative(s) assigned to Client’s account.</p> <p>In addition to AWM’s investment advisory fee(s), the client may be assessed other fees by parties independent from AWM. The client may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (e.g. advisory fees, administrative fees, and other fund expenses). Brokerage fees/commissions charged to the client for securities trade executions may be billed to the client by the broker-dealer or custodian of record for the client account, not AWM. Any such fees are exclusive of, and in addition AWM’s compensation. The client acknowledges he/she will be solely and directly responsible for fees, including other than AWM’s fees billed directly to the client.</p> <p>Termination</p> <p>Either party may terminate the services described above, with written thirty-day notice to the other. Any charges incurred prior to termination will be charged pro rata based upon the period covered. Termination requests may be sent to AWM at the following address:</p> <p style="text-align: center;">Alterna Wealth Management, Inc. 6600 N. Andrews Ave., Ste. 282, Fort Lauderdale, FL 33309</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Item 4.B(8) | Certain futures indexes and Exchange-Trade Funds, such as SPY/SSO, IWM/UWM, EFA/UNPIX, EEM/UUPIX, DJP (tracks DJAIG futures), TLT/GVPIX (tracks 30YR futures), AGG, TIP, IYR/URE, GDX/PMPIX, are used in the evaluation of investment opportunities. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Item 5 | Any associated person of AWM providing investment advice to be delivered to or used on behalf of a client is required to meet the specific state registration and licensing/examination requirements in order to provide such advice. This licensing typically involves a Uniform Investment Adviser Law Examination such as the Series 65 or the combination of the Series 66 plus the Series 7. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Item 6 | <table><tr><td colspan="2">Name:</td><td>Robert L. Konrad</td></tr><tr><td colspan="2">Year of Birth:</td><td>1976</td></tr><tr><td colspan="3">Formal education after high school.</td></tr><tr><td>Institution</td><td>Degree / Major</td><td>Years</td></tr><tr><td>Syracuse University</td><td>BS, Consumer Studies</td><td>1994 – 1999</td></tr><tr><td colspan="3">Business background for the preceding five years.</td></tr><tr><td>Entity</td><td>Title</td><td>Dates</td></tr><tr><td>Alterna Wealth Management, Inc.</td><td>CCO</td><td>08/2009 – present</td></tr><tr><td>Alterna Wealth Management, Inc.</td><td>President</td><td>02/2007 – present</td></tr><tr><td>Alterna Wealth Management, Inc.</td><td>Chief Investment Officer</td><td>11/2007 – 01/2008</td></tr><tr><td>International Assets Advisory, LLC</td><td>Registered Representative</td><td>09/2009 – present</td></tr><tr><td>Alterna Capital Corp.</td><td>CEO</td><td>01/2007 – 09/2009</td></tr><tr><td>Raymond James Financial Services, Inc.</td><td>Financial Advisor</td><td>04/2003 – 01/2004</td></tr><tr><td>Miami Dolphins</td><td>Athlete</td><td>06/1999 – 03/2005</td></tr></table> | Name: | | Robert L. Konrad | Year of Birth: | | 1976 | Formal education after high school. | | | Institution | Degree / Major | Years | Syracuse University | BS, Consumer Studies | 1994 – 1999 | Business background for the preceding five years. | | | Entity | Title | Dates | Alterna Wealth Management, Inc. | CCO | 08/2009 – present | Alterna Wealth Management, Inc. | President | 02/2007 – present | Alterna Wealth Management, Inc. | Chief Investment Officer | 11/2007 – 01/2008 | International Assets Advisory, LLC | Registered Representative | 09/2009 – present | Alterna Capital Corp. | CEO | 01/2007 – 09/2009 | Raymond James Financial Services, Inc. | Financial Advisor | 04/2003 – 01/2004 | Miami Dolphins | Athlete | 06/1999 – 03/2005 |
| Name: | | Robert L. Konrad | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Year of Birth: | | 1976 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Formal education after high school. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Institution | Degree / Major | Years | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Syracuse University | BS, Consumer Studies | 1994 – 1999 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business background for the preceding five years. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Entity | Title | Dates | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alterna Wealth Management, Inc. | CCO | 08/2009 – present | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alterna Wealth Management, Inc. | President | 02/2007 – present | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alterna Wealth Management, Inc. | Chief Investment Officer | 11/2007 – 01/2008 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| International Assets Advisory, LLC | Registered Representative | 09/2009 – present | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Alterna Capital Corp. | CEO | 01/2007 – 09/2009 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Raymond James Financial Services, Inc. | Financial Advisor | 04/2003 – 01/2004 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Miami Dolphins | Athlete | 06/1999 – 03/2005 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| Item 6 (continued) | Name: Mark J. Baniewicz | | |
| | Year of Birth: 1977 | | |
| | Formal education after high school. | | |
| | Institution | Degree / Major | Years |
| | Syracuse University | BS / Finance | 1995 – 1999 |
| | University of North Florida | MBA | 2002 – 2003 |
| | Business background for the preceding five years. | | |
| | Entity | Title | Dates |
| | Alternia Wealth Management, Inc. | Chief Investment Officer | 12/2007 – present |
| | International Assets Advisory, LLC | Registered Representative | 09/2009 – 11/2009 |
| | Alternia Capital Corp. | Financial Advisor | 02/2004 – 09/2009 |
| | Casual Male | Clothing Model | 01/2007 – 01/2008 |
| SMH Capital Inc. | Registered Representative/Investment Adviser Representative | 11/2007 – 12/2007 | |
| | NFL – Denver | Athlete | 04/2000 – 11/2003 |
| | NFL – Jacksonville | Athlete | 04/2000 – 11/2003 |
| | University of North Florida | Student | 03/2002 – 06/2003 |
| Item 7.C | The principal business of certain of AWM’s principal executive officers may involve activities other than providing investment advice. Such activities may include but may not be limited to brokerage activities, mortgage-related activities, or real estate investment-related activities. These activities may represent as much as 50% of any such individual’s overall professional activities. | | |
| Item 8.C.(12) and 8.D | From time to time, certain related persons of AWM may create or package limited partnerships (i.e. “Funds”). Typically, these Funds may be structured as direct participation programs and will generally be offered as privately placed securities offerings that are exempt from registration under the Securities Act of 1933 and/or the Investment Company Act of 1940 in reliance on an exemption from registration thereunder. These Funds may invest in virtually all property types, specialized interests in real property, debt and equity positions, as well as other general securities products or derivatives thereof. | | |
| Item 9 | Code of Ethics At AWM, we take great pride in our commitment to serving our clients’ needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients. AWM has developed a Code of Ethics (“Code”) as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following: <ul style="list-style-type: none">• Standards of conduct and compliance with applicable laws, rules, and regulations• Protection of material non-public information• The addressing of conflicts of interest• Employee disclosure and reporting of personal securities holdings and transactions• The firm’s IPO and private placement policy• The reporting of violations of the Code• Educating employees about the Code• Enforcement of the Code | | |

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| Item 9 (continued) | <p>Each of AWM’s representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all current and/or prospective clients upon request.</p> |
| Item 9.B | <p>Individuals associated with AWM may also be associated with International Assets Advisory, LLC (“IAA”). AWM is not affiliated with IAA. IAA offers general securities products, which will be offered separately from AWM’s investment advisory services. As a result of certain investment-related recommendations (or other investment advisory services) provided to its clients, individuals associated with AWM who are also properly qualified/licensed and registered on behalf of IAA, may facilitate certain securities transactions related to AWM’s advisory services, on behalf of such clients through IAA. Any such transactions may be facilitated through IAA, in its capacity as a registered broker-dealer. All such activities are considered brokerage activities for the purposes of this disclosure document. To the extent allowed by applicable law and/or regulation, individuals associated with AWM may receive compensation for both their investment advisory activities under AWM as well as their brokerage activities under IAA.</p> <p>All such brokerage activities shall be restricted to those in which IAA is approved to engage. The supervision of such activities shall be carried out by IAA and any AWM representatives engaging in such brokerage activities are required to comply with IAA’s policies and procedures related to such brokerage activities.</p> |
| Item 9.D | <p>INTEREST IN CLIENT TRANSACTIONS</p> <p>AWM or its personnel may invest for their own accounts or have a financial interest in the same securities or other investments that AWM recommends or acquires for the accounts of the client, and may engage in transactions that are the same as or different than transactions recommended to or made for the client’s accounts. Such transactions are permitted if effected, pre-cleared and reported in compliance with AWM’s Policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of the client. AWM’s Designated Supervisor reviews reports of personal transactions in securities by AWM personnel quarterly or more frequently if required.</p> <p><u>Investment Policy</u></p> <p>None of AWM’s investment advisory representatives may effect for himself or herself or for his or her immediate family (i.e. spouse, minor children, etc.; collectively, "Covered Persons") any transactions in a security which is being actively recommended to any of AWM's clients, unless in accordance with the following Firm Procedures.</p> <p><u>Firm Procedures</u></p> <p>In order to implement AWM’s Investment Policy, the following procedures have been put into place with respect to AWM and its Covered Persons:</p> <ol style="list-style-type: none"> 1. If the Firm is recommending that any of its clients buy any security, no Covered Persons may purchase that security prior to the client’s purchase of that security; and 2. If the Firm is recommending that any of its clients sell any security, no Covered Persons may sell that security prior to the client’s sale of that security. <p>It is the primary intent of the preceding procedures is to ensure that the best interests of the Firm’s clients are always served over that of the Firm’s. Trading by or on behalf of the Firm and/or its Covered Persons that results in the interests of the Firm or its Covered Persons being served over that of its clients could be considered a breach of the Firm’s fiduciary duty and thus, is aggressively discouraged.</p> |

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| Item 9.E | <p>AWM or its personnel may invest for their own accounts or have a financial interest in the same securities or other investments that AWM recommends or acquires for the accounts of the client, and may engage in transactions that are the same as or different than transactions recommended to or made for the client's accounts. Such transactions are permitted if effected, pre-cleared and reported in compliance with AWM's policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of the client. AWM's Designated Reviewer reviews reports of personal transactions in securities by AWM personnel quarterly or more frequently if required.</p> <p><u>Investment Policy</u></p> <p>None of AWM's investment adviser representatives may effect for himself or herself or for his or her immediate family (i.e. spouse, minor children, etc.; collectively, "Covered Persons") any transactions in a security which is being actively recommended to any of AWM's clients, unless in accordance with the following Firm Procedures.</p> <p><u>Firm Procedures</u></p> <p>In order to implement AWM's Investment Policy, the following procedures have been put into place with respect to AWM and its Covered Persons:</p> <ol style="list-style-type: none"> 1. If the Firm is recommending that any of its clients buy any security, no Covered Persons may purchase that security prior to the client's purchase of that security; and 2. If the Firm is recommending that any of its clients sell any security, no Covered Persons may sell that security prior to the client's sale of that security. <p>It is the primary intent of the preceding procedures is to ensure that the best interests of the Firm's clients are always served over that of the Firm's. Trading by or on behalf of the Firm and/or its Covered Persons that results in the interests of the Firm or its Covered Persons being served over that of its clients could be considered a breach of the Firm's fiduciary duty and thus, is aggressively discouraged.</p> |
| Item 11.A | <p>Reviews:</p> <p>The Firm will review the client's account(s) quarterly. The Designated Reviewer shall review the client accounts for best execution, suitability, and service. The Designated Reviewer will review the performance and cost basis for the client's transactions. The client's objectives are used to review for suitability. Quarterly, transactions are reviewed referencing clients' objectives for any transaction that may not fit the client's stated objectives, or AWM's understanding of the client's objectives will be flagged and reviewed with the investment adviser representative placing the trade.</p> <p>Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her account(s), where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a client account.</p> <p>Reviewers:</p> <p>Number of reviewers: 1</p> <p>Name and title of Designated Reviewer: Robert L. Konrad, President/CCO. Mr. Konrad will employ the procedures noted above for the client's account(s) subject to AWM's investment advisory services.</p> |

| Item 11.B | Statements will be provided no less frequently than quarterly by the custodian (not by AWM) of the account identifying the account positions by cost basis, current price, and gains/(losses) for all securities transactions. Upon the client’s request, a quarterly account appraisal may be created for the client as well as an annual year-end statement. | | | | | | |
|------------------------------|---|-----------|------------------------------|--------------------------|---------------|---------------------------|------------------|
| Item 12.A | <p>AWM may exercise discretion over the following areas:</p> <p>1) 12.A.(1): The specific securities to be bought or sold on the client’s behalf;</p> <p>2) 12.A.(2): The amount of securities to be bought or sold on the client’s behalf; and</p> <p>3) 12.A.(3): The particular broker or dealer to be used for arranging client securities transactions.</p> <p>AWM will have authority to exercise its full discretion on the above named factors without restriction. If done so on a non-discretionary basis, AWM shall make certain recommendations that must be authorized by the client prior to AWM’s facilitation of any such transactions that may have been recommended. AWM shall observe any other specific limitations that may be imposed by the client in relation to this discretionary authority.</p> <p>Transactions for the client’s account generally will be effected independently, unless AWM decides to purchase or sell the same securities for several clients at approximately the same time. AWM may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable transaction rates. To the extent that AWM elects to aggregate client orders for the purchase or sale of securities, including securities in which AWM’s principal(s) and/or associated person(s) may invest, AWM shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, <i>SMC Capital, Inc.</i> AWM shall not receive any additional compensation or remuneration as a result of the aggregation.</p> | | | | | | |
| Item 12.B | <p>From time to time, AWM may refer the client to broker-dealers for the purposes of the effecting of securities transactions. For details as to what factors AWM may consider in selecting such broker-dealers, see below.</p> <p>SECURITIES AND BROKERAGE SERVICES</p> <p>AWM is not a broker-dealer. Unless the client directs otherwise, AWM shall generally recommend that all the client’s accounts be maintained at, by, or through certain other firms that are unaffiliated with AWM. Such firms shall generally be broker-dealers that may also maintain registrations that allow such firms to engage in other types of businesses outside of their broker-dealer activities.</p> <p>Any such other firm may act in the capacity of “broker of record” for the client’s accounts, in which case, another firm may serve as the custodian for the Client account(s). Alternatively, any such other firm may serve as both the “broker of record” and “custodian” for the client’s accounts. In no case shall AWM act or attempt to act in the capacity of “broker of record” or “custodian” of the client’s account, funds, or other assets. Although not all-inclusive, AWM may recommend the following custodians:</p> <table><tr><th>Custodian</th></tr><tr><td>Schwab Capital Markets, L.P.</td></tr><tr><td>Interactive Brokers, LLC</td></tr><tr><td>Pershing, LLC</td></tr><tr><td>SEI Private Trust Company</td></tr><tr><td>Deutsche Bank AG</td></tr></table> <p>Factors which AWM considers in recommending certain broker-dealers or custodians to clients may include such entity’s financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, AWM or certain of its representatives may receive certain support services that may assist AWM in its investment decision-making process for all of AWM’s clients.</p> <p>In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the</p> | Custodian | Schwab Capital Markets, L.P. | Interactive Brokers, LLC | Pershing, LLC | SEI Private Trust Company | Deutsche Bank AG |
| Custodian | | | | | | | |
| Schwab Capital Markets, L.P. | | | | | | | |
| Interactive Brokers, LLC | | | | | | | |
| Pershing, LLC | | | | | | | |
| SEI Private Trust Company | | | | | | | |
| Deutsche Bank AG | | | | | | | |

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| <p>Item 12.B (continued)</p> | <p>transaction represents the best qualitative execution, taking into consideration the full range of a brokerage services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although AWM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for the client's account transactions.</p> <p>The client may direct AWM to use a particular broker-dealer (subject to AWM's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such an event, the client will negotiate terms and arrangements for the account with that broker-dealer, and AWM will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by AWM. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.</p> |
| <p>Item 13.B</p> | <p>AWM may enter into agreements with various independent solicitors that refer clients to the advisor. AWM does not charge clients introduced by third-parties fees or costs greater than the fees or costs AWM charges its advisory clients who were not introduced by the third-party solicitors, and have similar portfolios under management with AWM. Any such agreements must and be handled in accordance with the provisions of Rule 206(4)-3 under the Investment Advisers Act of 1940. For a copy of our solicitor brochure, please call (954) 703-2020.</p> |