

# **Dougherty Wealth Advisers LLC**

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612-317-2099

Part 2A

March 30, 2016

This Brochure provides information about the qualifications and business practices of Dougherty Wealth Advisers LLC. If you have any questions about the contents of this Brochure, please contact us at 612-317-2099 and 1-800-328-4000. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Dougherty Wealth Advisers LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

## **MATERIAL CHANGES**

This current annual update to this Brochure, dated March 30, 2016, does not have any material changes.

The last update to this Brochure, dated May 29, 2015, reflects changes to transition from State registration as an Investment Adviser to SEC registration as an Investment Adviser.

Currently, our Brochure may be requested by contacting Jennifer Arps, Managing Director, at 612-317-2099 and 1-800-328-4000 or [jarps@doughertywealthadvisers.com](mailto:jarps@doughertywealthadvisers.com).

Additional information about Dougherty Wealth Advisers LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Dougherty Wealth Advisers LLC who are registered, or are required to be registered, as investment adviser representatives of Dougherty Wealth Advisers LLC.

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## **ADVISORY BUSINESS**

Dougherty Wealth Advisers LLC (“Dougherty Wealth Advisers”) services different client types with financial planning and tax advisory services. Dougherty Wealth Advisers uses various software programs to assist in quantitative analysis and research.

Dougherty Wealth Advisers’ core business is the preparation of tax returns. Through that process, they may provide financial advice to clients through financial planning.

Dougherty Wealth Advisers LLC, formerly known as Somerset Advisers LLC, has been in business since January 3, 2006. Dougherty Wealth Advisers does not sponsor wrap programs, though it may recommend investment managers who participate in wrap programs.

## **FEES AND COMPENSATION**

Dougherty Wealth Advisers’ compensation may be based on a combination of commissions generated from products sold to you and fees. Commissions are generated from the sale of certain types of insurance products that may be recommended and are secondary to Dougherty Wealth Advisers’ fee based business. Fees, as they apply to you, are specified in the individual engagement letter which is required prior to commencing services.

The schedules of fees offered are differentiated according to the types of services rendered. Dougherty Wealth Advisers’ schedule of fees applicable to new accounts is an hourly rate of \$165-\$315. Clients may choose to pay a negotiated retainer.

Under the terms of Dougherty Wealth Advisers’ standard engagement letter, the compensation of Dougherty Wealth Advisers is payable within 30 days of invoice date. The standard form agreements do not have fixed termination or renewal dates, but provide for the termination of Dougherty Wealth Advisers’ services to the client upon prior written notice by either the client or Dougherty Wealth Advisers to the other.

In addition to the schedules of fees set forth above that apply to new clients, there are in effect fee schedules with some clients that differ from those above. From time to time, special requirements of clients may result in engagement letters with terms or fee arrangements differing from those set forth in Dougherty Wealth Advisers’ standard forms. There are circumstances under which fees may be negotiated.

## **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Dougherty Wealth Advisers does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **TYPES OF CLIENTS**

Dougherty Wealth Advisers provides portfolio financial planning and tax preparation services to:

- Individuals
- Trusts and Estates
- Charitable Organizations
- Small Businesses or Corporations
- High Net Worth Individuals

## **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Dougherty Wealth Advisers does not place trades in client accounts, but, rather, may offer suggestions or recommendations through financial planning. This is done by reviewing a client's goals and objectives, financial statements and existing investments.

Dougherty Wealth Advisers uses capital market assumptions of historical average returns and standard deviations and client specific time horizon, objectives and risk tolerance to construct a portfolio asset allocation. Our long range modeling tools incorporate monte carlo simulations. A withdrawal strategy is mapped out to meet the unique needs of the client and maximize tax efficiencies. Dougherty Wealth Advisers will assist the client in the selection of an asset manager.

Investing in securities includes risk of loss that clients should be prepared to bear. Past performance is not indicative of future results.

## **DISCIPLINARY INFORMATION**

None.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Dougherty Financial Group LLC ("DFG") owns 100% of Dougherty Wealth Advisers LLC.

DFG owns 100% of Dougherty & Company LLC ("D&Co"), a SEC registered broker-dealer and investment adviser.

Dougherty Wealth Advisers receives and pays for certain administrative services from affiliates, such as legal, compliance, information technology, financial accounting and human resources.

## CODE OF ETHICS

Dougherty Wealth Advisers has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, guidance on certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Dougherty Wealth Advisers must acknowledge the terms of the Code of Ethics.

Dougherty Wealth Advisers' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jennifer Arps, Managing Director, at 612-317-2099.

Dougherty Wealth Advisers requires prompt reports on all transactions covered by the Code. Dougherty Wealth Advisers further requires that all brokerage account relationships be disclosed, that Dougherty Wealth Advisers receive duplicate confirmations of transactions and custodial account statements, and certifications of compliance with the Code of Ethics from all covered persons.

In addition to reporting and record keeping requirements, the Code of Ethics imposes various substantive and procedural restrictions on covered transactions, including the following:

1. All transactions by access persons in securities covered by the Code should be pre-approved, unless an exemption or exception applies. Transactions will be approved and executed only if there are no conflicting recommendations pending for the portfolios of clients.
2. Purchase of new equity issues on the initial underwriting by employees is prohibited. Access persons are further prohibited from buying or selling any security except as allowed by a de minimis exemption for transactions involving a small number of shares of companies with very large market capitalization and high average daily trading volume.

Officers and/or employees may personally own securities of an affiliated broker-dealer and/or custodians that are used by clients.

Clients may also be clients of other investment advisers that trade through the firm's affiliate broker-dealer.

## **BROKERAGE PRACTICES**

The Senior Wealth Adviser at Dougherty Wealth Advisers is licensed in Minnesota as an insurance producer. This license entitles the Senior Wealth Adviser to offer and sell certain insurance products related to health and life. The Senior Wealth Adviser may receive commissions from the sale of these products.

## **REVIEW OF ACCOUNTS**

Dougherty Wealth Advisers generally does not impose specific conditions on the establishment or maintenance of client accounts. Dougherty Wealth Advisers does require that each client enter into a written and signed engagement letter with Dougherty Wealth Advisers. Dougherty Wealth Advisers reserves the right to decline any new engagement, or to resign as adviser to any account after initiation of the advisory relationship.

The client's financial needs are reviewed at least annually with the client.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

Dougherty Wealth Advisers may receive insurance commissions from the sale of various types of insurance policies.

## **CUSTODY**

Dougherty Wealth Advisers does not trade client accounts nor does it have custody of any client accounts.

## **INVESTMENT DISCRETION**

Dougherty Wealth Advisers does not trade client accounts nor does it have any discretion over any client accounts.

## **VOTING CLIENT SECURITIES**

As a matter of firm policy and practice, Dougherty Wealth Advisers does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Dougherty Wealth Advisers may provide advice to clients regarding the clients' voting of proxies.

## **FINANCIAL INFORMATION**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Dougherty Wealth Advisers' financial condition. Dougherty Wealth Advisers has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **OUR CLIENT PRIVACY PLEDGE**

At Dougherty Wealth Advisers LLC our clients' trust is important to us. Because you trust us with your financial and other personal information, we take the safeguarding and respect of this information very seriously. In order to maintain that trust we pledge to protect your privacy by striving to adhere to the policy outlined below.

Personal information we obtain is limited but may come to us through interviews with you, tax return organizers, financial planning organizers, financial history questionnaires, financial statements, correspondence between you and us, our affiliates, and others, account opening documents and custodial statements. The type of information collected is personal financial information, transaction and various other similar items of personal information. This information is important to our providing the best services to you.

There may be times when such information is provided to our affiliates and/or parent company, to enable us to receive services such as accounting, legal and compliance matters.

It is our policy that we do not provide current and former customer names and information to any outside firms, persons or organizations (such as catalogue or direct mail companies) unless there is a pre-existing relationship you have established such as a custodian or professional service provider and you have provided authority for us to do so or in situations where we have a legal or regulatory obligation to provide such information.

It is our policy to not provide any other businesses with any information specific to clients of Dougherty Wealth Advisers LLC for the purpose of marketing or business leads, except as indicated above.

Your information is protected in various manners. All employees are subject to a policy regarding confidentiality. Employees who violate our privacy policy are subject to disciplinary process. In addition our internal systems are secured through encryption technology, passwords and physical safeguards. We strive to maintain the confidentiality of your personal information.