

MILWAUKEE PRIVATE WEALTH MANAGEMENT, INC.  
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THIS BROCHURE PROVIDES CLIENTS WITH INFORMATION ABOUT MILWAUKEE PRIVATE WEALTH MANAGEMENT, INC.'s ("MPWM") INVESTMENT MANAGEMENT PROGRAM THAT SHOULD BE CONSIDERED BEFORE BECOMING A CLIENT OF MPWM. THIS INFORMATION HAS NOT BEEN APPROVED OR VERIFIED BY ANY GOVERNMENTAL AUTHORITY.

TABLE OF CONTENTS

	Page
INTRODUCTION .....	1
INVESTMENT MANAGEMENT SERVICES .....	1
CONSIDERATIONS.....	2
QUALIFICATION STANDARDS IMPOSED ON PROFESSIONAL STAFF .....	3
PROFESSIONAL STAFF.....	3
OTHER BUSINESS ACTIVITIES .....	3
INTEREST IN TRANSACTIONS.....	3
REVIEWS AND REPORTS .....	4
INVESTMENT BROKERAGE DISCRETION.....	4
PAYMENTS TO THIRD PARTIES .....	4
RELATIONSHIP WITH SCHWAB AND RAYMOND JAMES.....	5
PROXY VOTING POLICY .....	5
NOTICE REGARDING TREATMENT OF CONFIDENTIAL INFORMATION .....	5
WHY WE COLLECT AND HOW WE USE INFORMATION .....	6

## **Introduction**

Milwaukee Private Wealth Management, Inc. ("**MPWM**") is a Wisconsin corporation located in Mequon, Wisconsin. The firm offers discretionary and non-discretionary investment management services to its clients. A description of the management service program is set forth below. The firm's investment consulting services are described in the firm's Form ADV, Part II that is available upon request.

MPWM's investment management services program is a "wrap fee" service. As such, the asset-based fee charged to clients by MPWM covers MPWM's management fees, as well as certain brokerage transaction commission costs on the majority of all transactions placed for a client's account.

## **Investment Management Services.**

To commence investment management services, MPWM recommends clients open an account ("**Account**") with either Charles Schwab & Co., Inc. ("**Schwab**") or Raymond James Financial Services, Inc. ("**Raymond James**"), securities broker-dealers, Members NASD/SIPC, which will typically be the client's Account custodian ("**Custodian**") unless assets are held by the issuer or another custodian. Schwab or Raymond James processes all transactions for each client's account in return for commissions. Neither MPWM nor Portfolio Managers of MPWM share in Schwab's or Raymond James' commissions nor does the firm share in any revenue from any mutual fund company.

When it believes it is advantageous for a client to do so, MPWM may place orders through the use of a "prime broker" which, in turn, coordinates order executions so that the confirmations are issued by either Schwab or Raymond James.

After an Account is opened, MPWM Portfolio Manager will monitor the investments in the Account and purchase and sell securities in the Account as the Portfolio Manager deems necessary to be consistent with the client's investment objectives and restrictions. Most Accounts are discretionary accounts. This means that MPWM's Portfolio Manager will not contact a client before placing an order to purchase or sell securities because the client grants MPWM authority in advance to place orders. Securities of all types may be purchased or sold by MPWM while providing services, including but not limited to stocks, bonds, mutual funds, exchange traded funds, options and money market funds. In addition, MPWM's Portfolio Manager may select, as the Representative deems necessary, the brokerage firm to process the order. Reports are provided to each client no less than quarterly by the Custodian.

MPWM Portfolio Managers strictly adhere to a fundamental, value oriented investment discipline. Portfolio Managers evaluate financial statements of subject companies looking for discrepancies between the most recently quoted stock price versus an evaluation of the intrinsic value of the company derived from the company's income statement, balance sheet and statement of cash-flows. Generally, price to earnings (P/E), price to book value (P/B), price to revenue (P/R), price to free cash-flow (P/FCF) and dividend yield are used when estimating a company's intrinsic value.

MPWM utilizes a wide variety of informational sources. Security analysis typically begins with company filed Security Exchange Commission (SEC) documents that include forms 10-Q, 10-K, 20-F, 8-K, 6-K, 13-G, 13-D, 13-F, proxy statements, prospectus and others. Additionally, MPWM purchases various sources of research and information in the marketplace and use other sources of information that have been developed over years of experience and practice that constitute a portion of the intellectual property of MPWM's investment advisory practice.

Meetings with clients are held at the request of the client or at the request of the client's MPWM Portfolio Manager. Also, a client is free to contact his or her Portfolio Manager at any time should the client have any questions.

It is important that a client immediately inform the client's MPWM Portfolio Manager of any change in the client's investment objectives or financial circumstances since advice and selection of investments are based upon such information. MPWM does not guarantee the results of its services and losses can occur from receiving services.

The service Agreement with MPWM may be terminated upon 5 days prior written notice by either party to the other. Upon termination any unearned, prepaid fee is prorated to the date of termination and returned to the client.

#### Fees for Investment Management Services

The fees for discretionary and non-discretionary management services are negotiable thus may vary from client to client. Fees are based on an annual percentage of assets subject to management services as shown in the schedule below. The fees cover all custody and most transaction costs in addition to MPWM's management fees. The fee does not include the following: (a) charges for services provided by MPWM, its affiliates or third parties which are outside the scope of the services agreement (e.g., attorney, accountant, retirement plan administration fees, trustee fees, wire transfer fees, etc.); (b) taxes for fees imposed by exchanges or regulatory bodies; and (c) mark-ups and mark-downs on principal trades; (d) brokerage commissions and other fees and charges imposed because the client, MPWM or a third party manager chooses to effect securities transactions for the Account with or through a broker-dealer other than the Custodian; (e) commissions on transactions initiated by a client; (f) commissions on transactions occurring after notice of Agreement termination is provided; and (g) internal operating expenses on mutual funds and exchange traded funds. In addition, any commissions charged for transactions occurring after notice termination of the services agreement are the obligation of the client. Each of these additional charges are separately charged to the Account or reflected in the price paid or received for a given security.

<u>Account Value</u>	<u>Annual Fee</u>	<u>Quarterly Fee</u>
\$0 -\$500,000*	1.50%	0.375%
Next \$500,000	1.25%	0.313%
Next \$4,000,000	1.00%	0.250%
Assets over \$5,000,000	.75%	0.188%

\*Accounts valued at under \$25,000 are charged a 2.0% fee per annum, .50% quarterly.

Negotiated fees may differ from client-to-client based upon a number of factors, including, but not limited to, the type and size of the Account, the historical and/or expected size or number of trades for the Account, and the number and range of supplemental advisory and client related services to be provided to the client.

Fees are billed quarterly, in advance, based on the value of assets under management determined as of the end of the previous quarter. The initial fee is calculated from the opening date through the last business day of that calendar quarter and shall be pro-rated accordingly. Additional assets exceeding \$20,000 in value received into the Account may be charged a pro-rata fee based on the number of days remaining in the quarterly billing period, and a prorated fee refund based upon the value of assets withdrawn from the Account is provided if the withdrawal exceeds \$20,000. No adjustments will be made to the fee for appreciation or depreciation in the market value of securities held in the Account. In the event the Agreement is terminated by either party prior to the end of a billing period, MPWM returns all prepaid fees prorated to date of termination.

The client's Account is debited for all fees due. Under certain circumstances clients may request that the fee for a specific account be debited from a different account under management by MWPM. MPWM has the right to amend its fee schedule upon 30 days written notice to a client.

Fees paid to MPWM are separate from those paid to sub-advisers providing services to clients.

#### Considerations

MPWM's fees may be more or less than those charged by MPWM to another client for similar services, and by other investment managers for similar services. Also, MPWM's "wrap" fee for services, i.e., the fee covering both advisory services and transaction commissions, may be more or less than purchasing advisory and transaction brokerage services separately. The factors that bear upon the cost of services are the size of the account, and whether trades are placed through a brokerage firm other than the custodian resulting in per trade commissions being charged to the account.

In the event that exchange-traded funds or other mutual funds are part of a client's portfolio, the mutual funds charge additional and separate internal fees as described in the fund's prospectus. Thus, when these funds are in a client's account, two advisory fees are imposed: one internally by the fund, the other by MPWM.

Because MPWM absorbs transaction costs, Portfolio Managers may have a financial incentive not to place transaction orders frequently since doing so increases the transaction costs to MPWM thereby reducing its profitability. Thus, a conflict of interest exists.

Not all transaction-related expenses are covered by the "wrap" fee schedule shown above. Mark-ups and mark-downs, certain account charges, commissions and costs for transactions not placed through the custodian and for transactions occurring after termination of MPWM's services agreement are not covered. See Fee information above.

MPWM does not guarantee the results of the advice it gives or the advice given and actions taken by Third Party Portfolio Managers. Thus, losses can occur by using MPWM's services.

### **Qualification Standards Imposed on Professional Staff**

An Portfolio Manager associated with the Firm will be required to have the ability to successfully pass the Financial Industry Regulatory Authority ("FINRA"), Series 65, Investment Adviser Representative Examination, and be licensed in the state where necessary.

### **Professional Staff**

#### **Jeffrey R. Geygan**

Mr. Geygan has been in the Securities industry since 1987. He began his carrier with Shearson Lehman Brothers, which later became Salomon Smith Barney/Citigroup. He spent over 15 years with the firm developing client relationships and managing portfolios for those clients. In 2002 Mr. Geygan moved his investment management practice to UBS Financial Services, Inc. where he continued to develop client relationships and manage client portfolios.

While at Salomon Smith Barney, Mr. Geygan was recruited into branch management and spent two years as an assistant branch manager in the Milwaukee, WI office. In addition, Mr. Geygan graduated from The Consulting Group University of Smith Barney and went on to attend and Graduate from The Consulting Group University Graduate School. Consulting Group University is a wholly owned subsidiary of Salomon Smith Barney.

Mr. Geygan was born in Massachusetts in 1961. He attended the University of Wisconsin – Madison where he graduated in 1983 with a BA in Economics. He also attended Penn State University and Harvard University's school of Continuing Education.

### **Other Business Activities**

Mr. Geygan provides investment management services on a full-time basis for MPWM.

### **Industry Affiliations**

MPWM has received a forgivable loan from Raymond James to cover some start-up expenses. Under the terms of the loan, Raymond James has agreed to forgive the loan over a period of 36 months provided MPWM maintains in custody at Raymond James a set minimum of total client assets. Also Raymond James has provided for a line of credit to be available to MPWM for business related expenses. These financial arrangements create an incentive to recommend the services of Raymond James and a conflict of interest when Raymond James is recommended by MPWM as custodian for client accounts.

## **Interest in Transactions**

Portfolio Managers may be licensed as insurance agents and will receive customary insurance sales commissions if a client purchases insurance recommended by the Portfolio Manager. Thus, a conflict of interest exists when insurance is recommended.

MPWM's Portfolio Managers may buy and sell the same securities they recommend to clients. To the extent such transactions, other than in mutual funds, could adversely impact on transactions contemplated for client Accounts, client transactions are given priority. A file is kept on each transaction that occurs.

MPWM has established a Code of Ethics applicable to all persons at the firm who have access to confidential client records or to recommendations being made for client accounts. Designed to prevent conflicts of interest between the financial interests of clients and the interests of the firm's staff, the Code requires such "access persons" to obtain preapproval of certain securities transactions, to report transactions quarterly and to report all securities positions in which they have a beneficial interest at least annually. These reporting requirements allow supervisors at the firm to determine whether to allow or prohibit certain employee securities purchases and sales based on transactions made, or anticipated to be made, in the same securities for client accounts. The Code also establishes certain bookkeeping requirements relating to the new federal reporting rules. The Code is required to be reviewed annually and updated as necessary. A complete copy of the firm's Code is available upon request.

## **Reviews and Reports**

### **Reviews**

Investment Management involves periodic monitoring and review of portfolio assets. Investment Management Services generally entail at least quarterly internal reviews, however, these reviews may occur more frequently, depending upon the underlying assets in the portfolios or as may be desired by the client.

Mr. Geygan will review investment results, asset allocations, client objectives and other variables that may have been identified during the course of the engagement. Clients are encouraged to notify the Firm immediately of any changes in the client's financial status in the event there needs to be a change in the client's investment plan. Otherwise, the firm encourages personal meetings to review investment results and strategies at least annually, but clients are welcome to meet as often as desired.

Administrative personnel may assist with general client services and administrative duties. All decisions, account reviews, and primary client contacts are made and performed by Mr. Geygan.

### **Reports**

Clients receive standard account statements from investment sponsors and brokerage firms monthly or quarterly. Clients also receive statements as transactions occur. Mr. Geygan will prepare annual valuation reports and these may be accompanied by the Adviser's commentary on the progress toward or achievement of goals and objectives.

## **Investment Brokerage Discretion**

Managed portfolio accounts may be discretionary if a client signs an agreement granting discretionary authority. While implementing service strategies on a discretionary basis, MPWM's Portfolio Managers will purchase, sell or hold securities in the accounts in the amounts and at the times they deem appropriate. MPWM also has discretion to select the brokerage firm to be utilized but will recommend and most often use Schwab or Raymond James for all transactions unless in the Portfolio Manager's judgment another brokerage firm should be used. MPWM intends to receive competitive brokerage transaction executions, which include the price paid for the security, as well as the commissions paid. However, use of one designated broker-dealer may not result in the best price or execution.

If a client signs a discretionary agreement, MPWM also has discretionary authority to hire and terminate third party investment management firms if and when it deems appropriate to do so.

MPWM may, when appropriate, aggregate or "block" trade orders and allocate trades among two or more clients. By doing so, MPWM may be able to decrease brokerage and transaction costs to its clients through volume discounts and lower commissions that are not available to smaller volume transactions. Aggregating trades or "blocking orders" also permits MPWM to enter and exit securities markets on behalf of clients in an efficient and organized manner and attempt to obtain the best market pricing given the market conditions. The firm's investment strategies are very price sensitive and often require a specific price to be met on a block trade, potentially resulting in more blocked transactions being partially filled. Where blocked orders are only partially filled, the available shares are allocated based on the percentage of cash in client accounts, starting with those with the highest percentage of cash available. Because of this method of allocation, clients having a low percentage of cash will not participate in the transaction.

When a block order is executed, MPWM allocates an average execution price to each customer's position with the block. Clients should be aware that although MPWM may place a block order, the executing broker may unbundle the order and execute each order for a client's account on an individual basis, resulting in different execution prices to each client. Also, an exact average price may not occur as a result of the brokerage firm applying varying commission discounts to various client accounts. MPWM and its employee accounts may be part of an aggregated order placed to purchase or sell a particular security. Thus, when MPWM's or a related person's account holds the same security that is within one or more client accounts, or needs to purchase the same security that one or more client accounts will purchase, there is an inducement for MPWM to create the block because the average price may be better than the price the related account could have achieved alone. In all cases, client needs and objectives are placed ahead of those of MPWM and its related persons accounts.

### **Payments to Third Parties**

MPWM may also enter into new client procurement agreements with firms or individuals qualified to solicit client relationships for MPWM. Such agreements call for the relationship of MPWM and the client solicitor to be fully disclosed to the client, including the remuneration to be paid the solicitor by MPWM, before management services begin. When such arrangements exist, the fee charged to a client for services is not raised or lowered.

### **Relationship With Schwab and Raymond James**

Schwab and Raymond James provide MPWM with a range of services and other benefits to help it conduct its business. For instance, the firms may pay for or provide MPWM with technology solutions to help facilitate its integration with the firms' brokerage systems and streamline its operations. These may include proprietary integrated analysis, trading and reporting system that allows MPWM to communicate electronically with these firms. They also offer investment research to help MPWM make well-informed investment decisions for its accounts. Trained Schwab and Raymond James representatives are available to provide administrative support to MPWM. These firms may assist MPWM in joining its services platform and in completing documentation to enroll clients to receive its services, and this may include providing or paying for clerical staff to assist and, in some cases, paying account transfer fees or other charges MPWM clients may have to pay when changing custodians or service providers.

In limited circumstances, Schwab and Raymond James may also make direct payments to MPWM. For example, they may reimburse MPWM for reasonable travel expenses incurred when reviewing either firm's business and practices. They also may pay MPWM for performing certain back-office, administrative, custodial support and clerical services in connection with client accounts for which they act as custodian. These payments may create an incentive for MPWM to favor certain types of investments over others.

These and other services Schwab and Raymond James furnish will provide benefits to MPWM and may be made available at no fee or at a discounted fee and the terms may vary among advisors depending on the business they and their clients conduct with us and other factors. Schwab's Raymond James' provision of these services and other benefits to MPWM may be based on clients of MPWM placing a certain amount of assets in accounts with them

within a certain period of time. MPWM may be influenced by this in recommending or requiring that its clients establish accounts with either of them. These products and services may not necessarily benefit a client's account.

Schwab or Raymond James and MPWM may agree to pricing (including commissions and transaction account and service fees) for MPWM's client accounts based on the nature and scope of business MPWM does with Schwab or Raymond James, including the current and future expected amount of MPWM's client assets in their custody, the types of securities managed by MPWM, and expected frequency of MPWM's trading. Schwab or Raymond James may change this pricing and the services and other benefits it provides if the nature or scope of MPWM's business with Schwab or Raymond James changes or does not reach certain levels, in which case pricing for MPWM's client accounts may increase to an amount Schwab or Raymond James decides but not to exceed Schwab's or Raymond James' standard pricing for advisors that custody with Schwab or Raymond James.

For these reasons, MPWM may have a conflict of interest when recommending Schwab or Raymond James because MPWM's use of any other firm could result in higher operating costs for MPWM. The same conflict exists if another custodian providing similar services exists.

For further information about the programs and incentives available to MPWM in managing accounts through Schwab and Raymond James, clients may contact MPWM directly.

### **Proxy Voting Policy**

MPWM does not vote proxies on behalf of client unless authorized in writing to do so. When granted such authority, MPWM will adhere to the following guidelines when voting:

Primary Objective. In general, proxies will be voted in a manner designed to maximize the value of client investments. In evaluating a particular proxy proposal, MPWM will take into consideration, among other things, the period of time over which the voting shares of the company are expected to be held, the size of the position, the costs involved in the proxy proposal and the existing governance documents of the affected company, as well as its management and operations. Proxy proposals that change the existing status of a company will be reviewed to evaluate the desirability of the change, and to determine the benefits to the company and its shareholders, but MPWM's primary objective is always to protect and enhance the economic interests of its clients.

Generally, it is MPWM's policy to vote in accordance with management's recommendations on most issues since the capability of management is one of the criteria used by MPWM in selecting stocks.

Exceptions. When MPWM believes management is acting on its own behalf, instead of on behalf of the well-being of the company and its shareholders, or when MPWM believes that management is acting in a manner that is adverse to the rights of the company's shareholders, MPWM will take steps to represent the interests of its clients and, as a result, may elect to vote against management's recommendations.

In situations where MPWM is extremely displeased with management's performance, it may withhold votes or vote against management's slate of directors and other management proposals as a means of communicating its dissatisfaction. This occasion most often develops when MPWM believes that management has displayed a consistent inability or lack of interest in moving the company toward achieving its potential and that a message needs to be sent that the company's shareholders are not satisfied with the status quo.

Other Factors MPWM Considers. MPWM recognizes that the activity or inactivity of a company with respect to matters of social, political or environmental concern may have an effect upon the economic success of the company and the value of its securities. However, MPWM does not consider it appropriate, or in the interests of its clients, to impose its own moral standards on others. Therefore, it normally supports management's position on matters of social, political or environmental concern, except where it believes that a different position would be in the economic interests of company shareholders.

Conflicts. In evaluating a proxy proposal, the Chief Compliance Officer is ultimately responsible for considering whether there are any circumstances that may give rise to a conflict of interest in connection with voting client proxies either because of a business relationship between MPWM and the company or otherwise.

Voting Procedures. All proxy proposals are voted on an individual basis. In general, when a conflict exists, the Chief Compliance Officer determines whether the proxy may be voted by MPWM or whether it should be referred to the client (or another fiduciary of the client) for voting purposes. Alternatively, MPWM may consult directly with a client to obtain the client's consent before voting the proxies. MPWM will not refrain from voting proxies just because a conflict exists because MPWM has a fiduciary duty to take action on all proxies.

How To Obtain More Information. For additional information regarding MPWM's proxy voting policies and procedures, clients should contact us by writing to 1500 West Market Street, Suite 250, Mequon, Wisconsin 53092, or calling (262) 478-0640.

### **Notice Regarding Treatment of Confidential Information**

MPWM strongly believes in protecting the confidentiality and security of information we collect about you. This notice describes our privacy policy and describes how we treat the information we receive about you.

### **Why We Collect And How We Use Information**

When we evaluate your request for our services, provide investment advice to you and process transactions for your account, you typically provide us with certain personal information necessary for these transactions. We may also use that information to offer you other services we provide which may meet your investment needs.

### **What Information We Collect**

The personal information we collect may include:

- Name and address;
- Social Security or taxpayer identification number;
- Assets;
- Income;
- Account balances;
- Investment objectives;
- Investment activity; and
- Accounts at other institutions

### **How We Protect Information**

We do not sell your personal information to anyone.

We treat information about current and former clients and their accounts in a confidential manner. Our employees may access information and provide it to third parties only when completing a transaction at your request or providing our other services to you.

At your request, we may disclose information to attorneys, accountants, lawyers, securities professionals and others to assist us, or them, in providing services to you. We may also share information with companies that perform services on our behalf, such as the companies that we hire to perform administrative services. Companies we may hire to provide support services are not allowed to use your personal information for their own purposes. We may make additional disclosures as permitted by law.



We also maintain physical, electronic, and procedural safeguards to protect information. Employees and our professional service representatives are required to comply with our established information confidentiality provisions.

#### Access to And Correction of Information

Generally, upon your written request, we will make available information for your review. Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available.

If your personal information with us becomes inaccurate, or if you need to make a change to that information, please contact us at the number shown below so we can update our records.

#### Further Information

For additional information regarding our privacy policy, please contact us at our office at 1500 W. Market Street, Suite 250, Mequon, Wisconsin, 53092 or by calling (262) 478-0640.