

Brochure Supplement  
Form ADV Part 2B  
March 15, 2012



**Welz Financial Services, Inc.**

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**Taylor@welzfs.com**

This Brochure Supplement provides information about Taylor M. Welz and Stacey J. Houston which supplements the Welz Financial Services, Inc. (WFS) brochure. You should have received a copy of that brochure. Please contact Taylor M. Welz or Stacey J. Houston if you did not receive (WFS) brochure or if you have any questions about the contents of this supplement.

## Item 2B – 2 Educational Background and Business Experience

### **Education and Business Background**



Name: Taylor M. Welz, CPA/PFS, CFP®

Year of Birth: 1959

Education: California State University, Sacramento, CA  
Bachelor of Science in Accounting, 1981

California State Board of Accountancy,  
Certified Public Account (CPA), 1983

American Institute of Certified Public Accountants,  
Personal Financial Specialist (PFS), 1993

Certified Financial Planner Board of Standards,  
Certified Financial Planner (CFP), 1990

Business: Welz Financial Services, Inc., Stockton, CA  
President/Chief Compliance Officer  
2007 – Present

Bowman & Company, LLC, Stockton, CA  
Partner/Investment Advisory Services Department 1993-2007, Partner/Tax  
and Management Advisory Services 1987-1993, Tax and Management  
Advisory Services Manager 1985-1987, Staff Accountant 1981-1985

### **Professional Designations Qualifications**

#### **CPA – Certified Public Accountant**

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements generally include a minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification of a CPA), and successful passage of the Uniform CPA Examination.

In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional educations (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period).

Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees and serve the public interest when providing financial services. The vast majority of state boards of accountancy has adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or has created their own.

### **PFS – Personal Financial Specialist**

The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 80 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's *Code of Professional Conduct*, and is encouraged to follow AICPA's *Statement on Responsibilities* in Financial Planning Practice. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AIPCA.

### **CFP® - Certified Financial Planner**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (CFP Board).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for it's:

- High standard of professional education
- Stringent code of conduct and standards of practice
- Ethical requirements that govern professional engagements with clients.

Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, and individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning.
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances.
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).
- **Ethics** – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks if:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field.
- **Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require the CFP® professionals must provide financial planning services in the best interest of their clients.

## **Item 2B – 3 Disciplinary Information**

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. Taylor M. Welz has never been involved in any disciplinary actions and therefore does not have any disclosure items.

## **Item 2B – 4 Other Business Activities**

Taylor M. Welz is an independent trustee of Litman Gregory Funds Trust (the Trust). The Trust includes the Litman Gregory Masters Equity Fund, Litman Gregory Masters International Fund, Litman Gregory Masters Value Fund, Litman Gregory Masters Smaller Companies Fund, Litman Gregory Masters Focused Opportunities Fund, and Litman Gregory Masters Alternative Strategies Fund, each a registered mutual fund. Mr. Welz receives a fee for his services as an independent trustee, as reported in the Trust's Prospectus and Statement of Additional Information.

## **Item 2B – 5 Additional Compensation**

Taylor M. Welz receives no additional compensation.

## **Item 2B – 6 Supervision**

Taylor M. Welz (Taylor), is Chief Compliance Officer, and has the ultimate responsibility for compliance at Welz Financial Services, Inc.

Taylor's supervisory responsibilities include:

- Review, acceptance/written approval of new accounts
- Ongoing review of all client accounts to detect and prevent irregularities or abuses
- Prompt review/written approval of correspondence pertaining to sales/trade execution
- Prompt review and written approval for all transactions
- Prompt review and written response for all client complaints

The following responsibilities may be performed by Taylor or Stacey J. Houston, or delegated to administrative staff within the department:

- Maintaining up-to-date advisory disclosure documents
- Maintaining records as required by the applicable regulatory bodies
- Providing Written Supervisory Procedures and Code of Ethics to each access person
- Conducting an annual review of the Written Supervisory Procedures and Code of Ethics

### **Item 2B – 7 Requirements for State-Registered Advisers**

No management person or employee of Welz Financial Services, Inc. has been involved in any event listed below.

- A.     1.     An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
- a.   an investment or an investment related business or activity;
  - b.   fraud, false statement(s), or omissions;
  - c.   theft, embezzlement, or other wrongful taking of property;
  - d.   bribery, forgery, counterfeiting, or extortion; or
  - e.   dishonest, unfair or unethical practices.
2.     An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
- a.   an investment or an investment related business or activity;
  - b.   fraud, false statement(s), or omissions;
  - c.   theft, embezzlement, or other wrongful taking of property;
  - d.   bribery, forgery, counterfeiting, or extortion; or
  - e.   dishonest, unfair or unethical practices.
- B.     Mr. Welz has never had a bankruptcy petition.

## **Item 2B – 2 Educational Background and Business Experience**

### **Education and Business Background**



Name: Stacey J. Houston, CFP®, CFS

Year of Birth: 1959

Education: San Joaquin Delta College, Stockton, 1979

Certified Financial Planner Board of Standards,  
Certified Financial Planner (CFP), 1994

Institute of Business & Finance,  
Certified Fund Specialist (CFS), 1997

Business: Welz Financial Services, Inc., Stockton, CA  
Vice President, Portfolio Administration  
2007 – Present

Bowman & Company, LLC, Stockton, CA  
Portfolio Administration  
1995 – 2007

Wells Fargo Bank  
Personal Financial Officer  
1994 – 1995

Charles Schwab, Stockton, CA  
Registered Investment Specialist  
1983 - 1994

### **Professional Designations Qualifications**

#### **CFP® - Certified Financial Planner**

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- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).
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Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks if:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field.



- **Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require the CFP® professionals must provide financial planning services in the best interest of their clients.

### **CFS – Certified Fund Specialist**

This indicates a certification indicating an individual's expertise in mutual funds and the mutual fund industry. These individuals advise clients on which mutual funds best suit their particular needs. The CFS designation does not license individuals to buy or sell mutual funds; however, in many cases Certified Fund Specialists do have this license, which enables them to buy and sell the funds for their clients.

The CFS is the oldest designation in the mutual fund industry. Training is provided by the Institute of Business & Finance (IBF) in the form of a 60-hour self-study program. Course topics include, but are not limited to portfolio theory, dollar-cost averaging and annuities. The course includes a final exam, administered by the National Association of Securities Dealers, and an open-book case study.

### **Item 2B – 3 Disciplinary Information**

An investment advisor and its supervised persons (IA Reps) must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the IA Rep. Stacey J. Houston does not have any disclosure items.

### **Item 2B – 4 Other Business Activities**

Stacey J. Houston is not involved in any other business activities.

### **Item 2B – 5 Additional Compensation**

Stacey J. Houston receives no additional compensation.

### **Item 2B – 6 - Supervision**

Stacey J. Houston is supervised by Taylor M. Welz. Taylor may be contacted at 209-472-9359.

### **Item 2B – 7 Requirements for State-Registered Advisers**

No management person or employee of Welz Financial Services, Inc. has been involved in any event listed below.

- A. 1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - a. an investment or an investment related business or activity;
  - b. fraud, false statement(s), or omissions;

- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a. an investment or an investment related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair or unethical practices.

B. Mrs. Houston has never had a bankruptcy petition.