

## Tucker Wealth Management, Inc.

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This brochure provides information about the qualifications and business practices of Tucker Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at (808) 791-1444 above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority.

Tucker Wealth Management, Inc. is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment adviser provide you with information you need to determine whether to hire or retain the advisor.

Additional information about Tucker Wealth Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Tucker Wealth Management, Inc.

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Our last annual updating amendment was dated February 29, 2012.

The amendment dated April 29, 2012, which was filed as part of the conversion from SEC to state registration contained the following material changes:

Throughout the Part 2 references to Loring Ward Advisor Services were removed.

Item 19 was added as follows:

### **ITEM 19: REQUIREMENTS FOR STATE REGISTERED ADVISORS**

#### **Principal Executive Officers and Management Persons**

Our principal executive officer is Michelle Tucker. Additional information regarding Ms. Tucker's education and business background is provided on Part 2B.

Neither TWM nor any management person has been involved in any of the items listed below.

- An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.

## ITEM 3

### TABLE OF CONTENTS

Item 1: Cover Sheet	
Item 2: Material Changes	
Item 3: Table of Contents	
Item 4: Advisory Business .....	1
Item 5: Fees and Compensation .....	2
Item 6: Performance-Based Fees and Side-By-Side Management .....	3
Item 7: Types of Clients.....	3
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	4
Item 9: Disciplinary Information .....	5
Item 10: Other Financial Industry Activities and Affiliations .....	5
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	6
Item 12: Brokerage Practices .....	6
Item 13: Review of Accounts .....	7
Item 14: Client Referrals and Other Compensation.....	7
Item 15: Custody.....	7
Item 16: Investment Discretion.....	7
Item 17: Voting Client Securities.....	7
Item 18: Financial Information .....	7
Item 19: Requirements for State-Registered Advisors.....	8

## **ITEM 4: ADVISORY BUSINESS**

### **Who is TUCKER WEALTH MANAGEMENT, Inc.?**

TUCKER WEALTH MANAGEMENT, Inc. is a financial planning and investment counseling firm registered with the Securities and Exchange Commission as a registered investment adviser. Our IARD number is 144765.

Tucker Wealth Management, Inc. (referred to as “we,” “our,” “us,” or “TWM”), has been registered as an investment advisor since 2007. Michelle Tucker, President, acts as the sole principal.

### **What services are provided by TUCKER WEALTH MANAGEMENT, Inc.?**

Financial planning advice regarding taxes, investments, insurance, estate planning, pensions, retirement, and general financial matters.

### **What is a Financial Plan?**

An overall review of your financial situation, taking into account your goals and objectives and focusing on such areas as: income tax planning, asset management, estate planning, risk management, educational planning and retirement. Typically, the Adviser conducts consultations with each client to plan for the future based on that individual client’s financial status, needs and objectives as communicated to the Adviser. This planning may be informal rather than written, and is used to guide the implementation of the investment plan which is written and to be reviewed and approved by the client.

### **How is a plan implemented?**

TWM provides financial planning services and non-discretionary management services.

TWM provides assistance to clients in the management of investment decisions. TWM assists the clients in developing an investment policy statement, in developing an investment strategy that will help provide diversification that is consistent with the client’s return expectations and risk tolerance as communicated to TWM, in selecting and monitoring the performance of service providers and money or fund managers, and in accounting for investment expenses. Both the investment policy statement and the investment strategy that is developed must be reviewed and approved by the client. TWM recommends money managers that invest in mutual funds that purchase securities that comprise a particular segment of the market and are not actively traded. TWM assists clients in evaluating their existing portfolios to determine whether risk and returns are optimized under Modern Portfolio Theory.

When a client opts to implement the investment strategy through TWM, an unaffiliated third party investment adviser will be selected to provide clients of TWM with access to investment instruments and rebalancing services. TWM will assist its clients in their selection of investment instruments and the initial allocation between the instruments and LWIF will regularly rebalance the holdings, as disclosed in the three-party advisory agreement. Clients are under no obligation to implement any policy or strategy through TWM.

**If you use TUCKER WEALTH MANAGEMENT, Inc. to develop a Financial Planning Program, are you obligated to purchase the recommended products?**

Absolutely not. In reality, however, if a client agrees with our planning recommendations, they will generally implement their investment objectives through TWM.

Clients may impose restrictions on investing in certain types of securities.

**Assets under management**

As of December 31, 2011, we manage assets of \$63 million on a non-discretionary basis. We do not manage assets on a discretionary basis.

**ITEM 5: FEES AND COMPENSATION**

**How much do we charge for planning services?**

Financial planning services will be provided to clients who elect to implement investment recommendations through TWM at no additional fee.

When a client opts to implement the investment policy and investment strategy through TWM and LWIF, an ongoing fee will be charged based on a percentage of assets under management. The maximum combined fee schedule is as follows:

**Minimum Balance of \$100,000**

<u>Assets Under Management</u>	<u>Annual Fee</u>
On the first \$500,000	1.55%
On the next amount from \$500,000.01 - \$1,000,000	1.25%
On the next amount from \$1,000,000.01 - \$2,000,000	0.90%
On the next amount from \$2,000,000.01 - \$5,000,000	0.60%
On the next amount from \$5,000,000.01 - \$10,000,000	0.45%
On amounts above \$10,000,000	0.35%

Fees are billed quarterly in advance by LWIF, and TWM will receive its portion of the fees, a maximum of 1% of the assets under management, from LWIF. Fees are calculated by multiplying one-fourth of the indicated annual fee by the total dollar amount of assets under advice at the market close on the last business day of the immediately completed calendar quarter. The management fee for the first billing will be pro-rated for accounts that are placed under management after the inception of a quarter. For valuation purposes the assets will be treated as if they were held in the account as of the end of the quarter. Clients will be entitled to a pro rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination.

A client may terminate an advisory agreement with TWM and LWIF by providing thirty days prior written notice in accordance with the advisory agreement. Upon termination, prepaid fees will be prorated to the date of termination and unearned fees will be returned to the client.

When clients opt to implement the investment policy and investment strategy through TWM and Matson Money, Inc., an ongoing fee will be charged based on a percentage of assets under management. A single

annual fee is charged for the services of Matson Money, Inc. (hereinafter referred to as “Matson”) and TWM based on the following fee schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$500,000	2.00%
Second \$500,000	1.00%
Next \$3,000,000	0.75%
Amount over \$4,000,000	0.50%

Fees will be due quarterly in advance at a quarterly percentage rate of one fourth of the annual percentage. Fees are based upon the value of the account as of the end of the last business day of each preceding quarter. Traded securities are valued at market; annuities and life insurance contracts are valued at their accumulated value. Fees will be deducted from the clients’ accounts by Matson and TWM will receive a percentage of the fees from Matson as disclosed in the following table:

<u>AUM with Matson</u>	<u>% of Fee</u>
Up to \$5,000,000	50%
Over \$5,000,000	60%
Over \$50,000,000	65%
Over \$80,000,000	70%

Although TWM believes its fees are competitive, lower fees for comparable services may be available from other sources.

Clients may terminate their agreement with TWM and Matson on 30 days’ prior written notice. Upon termination, prepaid fees will be prorated to the date of termination and unearned fees will be returned to the client.

TWM may recommend that clients invest in mutual funds and other types of managed accounts. Some of these mutual funds and managed accounts charge asset management and other fees that are charged indirectly to the client. These fees are in addition to and distinct from advisory fees paid to TWM, LWIF and Matson. A client could invest in these mutual funds and managed accounts directly, without the services of TWM. Clients should evaluate the fees incurred in connection with these investment vehicles and the advisory fees charged by TWM to fully understand the total amount of fees paid.

## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not receive performance fees for managing accounts.

## **ITEM 7: TYPES OF CLIENTS**

### **Whom do we serve?**

Individuals, corporations, small businesses, pensions and profit sharing plans, estates and trusts.

### **How much money do you need to start a Financial Planning program?**

Whether a minimum dollar amount is required depends on the needs and circumstances of the client, and on the advisory program recommended by TWM. We recognize that persons with modest assets have financial problems or needs as well. However, our services are geared towards those individuals and families with at least \$250,000 of invested assets, and are retired or preparing to retire. LWI Financial Inc. ("LWIF"), an unaffiliated third party investment adviser who may be introduced to our clients, imposes a minimum of \$100,000 initial assets to be managed which may be waived by LWIF.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **What types of securities do we provide advice about?**

Bank deposits and mutual funds that hold U.S. Government securities, corporate bonds, commercial paper, municipal securities, equities, and publicly traded real estate investment trusts.

### **What method of analysis do we use to analyze investments?**

TWM does not use technical analysis or charting. TWM does use Modern Portfolio Theory and the Efficient Market Philosophy to select investment managers to manage client portfolios. TWM does not make investment or asset allocation recommendations based on the conditions of the economy or the market, but rather on economic research related to the manner in which various asset classes have performed and the correlation of their performance over time. TWM uses asset allocation with quarterly rebalancing by unaffiliated investment managers. TWM attempts to serve clients whose financial objectives are in harmony with this investment approach.

### **Do we guarantee investment performance?**

No. All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situation at all times. You should read all transaction confirmations, monthly, and year-end statements. We cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions.

### **What are the principal sources of information we use?**

TWM utilizes the general media of domestic, international, and governmental newspapers, bulletins, magazines, books, and other publications. Materials prepared by the investment companies and research releases prepared by others may also be utilized.

### **What type of investment strategies do we generally recommend?**

We make long-term recommendations with occasional short-term strategies as the circumstances may indicate. Our investment philosophy focuses on proper diversification and asset allocation over the long haul. Short-term strategies employed may include dollar cost averaging programs, and temporary/interim repositioning of assets.

We use Modern Portfolio Theory and the Efficient Market Philosophy to select investment managers to manage client portfolios. The fundamental concept behind Modern Portfolio Theory is that the assets in an investment portfolio should not be selected individually, each on their own merits. Rather, it is important to consider how each asset changes in price relative to how every other asset in the portfolio changes in price.

Investing is a tradeoff between risk and expected return. In general, assets with higher expected returns are riskier. For a given amount of risk, Modern Portfolio Theory describes how to select a portfolio with the highest possible expected return; or, for a given expected return, Modern Portfolio Theory explains how to select a portfolio with the lowest possible risk (the targeted expected return cannot be more than the highest-returning available security, of course, unless negative holdings of assets are possible.)<sup>[3]</sup>

Modern Portfolio Theory is therefore a form of diversification. Under certain assumptions and for specific quantitative definitions of risk and return, Modern Portfolio Theory explains how to find the best possible diversification strategy.

We use asset allocation with quarterly rebalancing by Loring Ward or Matson. We serve clients whose financial objectives are in harmony with this investment approach.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **Does TUCKER WEALTH MANAGEMENT, Inc. provide Legal Services?**

No. The Advisor is a financial counselor and investment advisor and limits its services to financial and tax planning. However, legal services are available from a firm affiliated with the president of TWM, namely, Sterling & Tucker LLP, a limited liability law partnership, an estate planning law firm.

### **Does TUCKER WEALTH MANAGEMENT, Inc. provide Accounting or Tax Preparation Services?**

No. The Advisor is a financial counselor and investment advisor and limits its services to financial and tax planning. Accounting and Tax Preparation services are available from a firm affiliated with the president of TWM, namely, Sterling & Tucker, Inc. a CPA firm engaged in tax preparation and planning and forensic accounting.

Ms. Tucker expects to spend approximately 25% and 10% respectively, in the capacity of estate planning attorney and Certified Public Accountant. It is expected that clients of the law and accountancy firms may also become clients of TWM; there is no obligation, however, for those clients to do so, or for clients of TWM to use the services provided by the law or accountancy firms.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Does TUCKER WEALTH MANAGEMENT, Inc. have a Code of Ethics?**

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by TWM and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

### **Does TUCKER WEALTH MANAGEMENT, Inc. invest in financial products recommended to their clients?**

From time to time, TWM may recommend clients to buy or sell a security in which TWM or an investment adviser representative or supervised person has an ownership position, or may purchase or sell, or TWM or an investment adviser representative or supervised person of TWM may purchase a security of the same class as securities held in a client's account.

TWM and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations subject to policies and procedures governing personal securities holdings and transactions.

## **ITEM 12: BROKERAGE PRACTICES**

### **Does TUCKER WEALTH MANAGEMENT, Inc. suggest broker-dealers to clients?**

TWM recommends that clients who desire ongoing consulting and monitoring services enter into a three-way advisory agreement between TWM and LWIF. In this relationship, clients will designate Charles Schwab Trust Company to serve as custodian and Charles Schwab & Co., Inc., ("Schwab") as broker-dealer. TWM and LWIF will thus not seek better execution services or prices from brokers or dealers other than as designated by clients. Thus clients may pay commissions or transaction costs higher than those which may be obtainable from other broker-dealers or receive less favorable net prices on transactions than would otherwise be the case. TWM and LWIF may only be able to "batch" client transactions with those of other clients of TWM and LWIF to the extent that the broker-dealer designated by a client is the same as that chosen by other clients of TWM and LWIF. TWM will use its best efforts to have transactions executed by the broker-dealer designated by clients at prices that are advantageous and at commission rates that are reasonable in relation to the benefits received.

## **ITEM 13: REVIEW OF ACCOUNTS**

### **Will I receive periodic statements and reviews?**

Clients who opt to implement the investment strategy through TWM will be contacted at least annually for review of their needs and objectives, and portfolio performance. Clients should promptly inform TWM whenever there is any change in their financial needs, objectives or circumstances. Reviews are performed by Michelle Tucker, President. Reviews determine the conformity of the account to the investment plan set forth in the investment policy statement.

Clients receive statements at least quarterly, containing at least current investment holdings, transaction summaries, and market values. Monthly statements will be provided by the custodian of the assets. Clients will enter into arrangements for custody of assets, including funds and securities, with a custodian. The custodian is a third-party not affiliated with the Adviser.

The majority of clients meets with TWM twice each year. Additionally, review of financial plans occurs upon a client's request. TWM suggests that the plans are reviewed at least annually.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

We do not pay anyone for client referrals.

## **ITEM 15: CUSTODY**

We do not maintain custody of any client assets.

## **ITEM 16: INVESTMENT DISCRETION**

We do not provide investment management services on a discretionary basis.

## **ITEM 17: VOTING CLIENT SECURITIES**

Neither TWM, LWIF, nor Matson will vote proxies on behalf of client accounts. The client retains this right and responsibility. In the event TWM receives any notice of a class action, claim forms and other such materials related to securities purchased or held in any client account, such notices, forms and materials are forwarded to clients for review and disposition by clients and/or their legal counsel. TWM does not advise or act for clients in legal actions or proceedings, including class actions or bankruptcies that may involve securities purchased, sold or held in client accounts.

## **ITEM 18: FINANCIAL INFORMATION**

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.

## **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISORS**

### **Principal Executive Officers and Management Persons**

Our principal executive officer is Michelle Tucker. Additional information regarding Ms. Tucker's education and business background is provided on Part 2B.

Neither TWM nor any management person has been involved in any of the items listed below.

- An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.
- An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following: 1) an investment or an investment-related business or activity; 2) fraud, false statement(s), or omissions; 3) theft, embezzlement, or other wrongful taking of property; 4) bribery, forgery, counterfeiting, or extortion; or 5) dishonest, unfair, or unethical practices.