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[www.McIlrathEck.com](http://www.McIlrathEck.com)

January 31, 2013

This wrap account program brochure provides information about the qualifications and business practices of McIlrath & Eck, LLC (the “Adviser”). If you have any questions about the contents of this brochure, please contact the Adviser at (360) 657.8600. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority.

The Adviser is registered as an investment adviser with the U.S. Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about the Adviser also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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The previous annual updating amendment was dated March 13, 2012.

The annual updating amendment dated January 31, 2013, contained no material changes.

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## ITEM 4: SERVICES, FEES AND COMPENSATION

### Advisory Services

#### McIlrath & Eck, LLC

The Adviser is a limited liability company organized in Washington.

#### Investment Management

At McIlrath & Eck, we develop and implement comprehensive financial and estate planning solutions that allow our clients to take charge of their lives and to create the lifestyle they want. We strive to provide personalized care, prompt service and proactive wealth management by merging investment management and retirement planning/consulting services to achieve each client's individual financial goals and objectives. In contrast to many investment management programs, our clients do not incur commissions or other transaction charges imposed by brokers, dealers and banks, etc.

We endeavor to understand each client's current financial situation, existing resources, financial goals, and tolerance for risk. Based on the foregoing, we propose an investment approach and monitor it on a day-to-day basis.

#### How Investments are Selected

Asset allocation and risk management drive our investment strategy and are the bedrock of the portfolios we construct and manage. We believe that proper asset allocation is an ongoing dynamic and disciplined process.

In constructing our portfolios and making recommendations, we consider a large universe of investment opportunities and vehicles. For example, our suggested approach may involve the use of stocks and bonds, exchange traded funds, mutual funds and other types of managed accounts and securities.

Not all accounts managed within an investment strategy will contain identical holdings. Differences occur based on capital additions/withdrawals. We may purchase different funds and/or securities within an asset class depending on availability and timing of money being deposited by the client. Also, clients may transfer in securities positions with instructions to hold these securities rather than trade them.

Even though the prime objective is to grow your assets safely, the selection of any investment strategy mentioned above does not guarantee against loss of principal. Investing in securities, whether directly or through managed accounts, involves risk of loss that you should be prepared to bear.

#### Proxy Voting

Thor McIlrath and Sam Eck are responsible for our decisions on proxy voting. Clients are permitted to place reasonable restrictions on our voting authority. However, in the absence of specific voting guidelines, we attempt to vote proxies for the securities held in client accounts in the client's best interest. Our policy is to vote all proxies from a specific issuer the same way for each client absent specific

instructions and/or restrictions. In so doing, we generally cast proxy votes in favor of proposals that we believe increase shareholder value.

You may obtain information from us concerning how we voted any proxies on your behalf. You also may obtain a copy of our complete proxy voting policies and procedures upon request.

## Advisory Fees

Our management fee is as follows:

<u>Account Value</u>	<u>Annualized Management Fee Rate (Standard)</u>
Less than \$1,000,000	1.50%
\$1,000,001 to \$2,000,000	1.25%
Accounts over \$2,000,000	1.10%

We do not receive performance-based fees.

We generally require that clients maintain a minimum of \$250,000 in assets under management. However, this minimum may be waived in our sole discretion. If we elect to waive the minimum and accept an account less the \$250,000, the management fee will be 2%. Once the account reaches \$250,000, the standard fee schedule applies. Exceptions may be made to the published fee schedule under certain circumstances pursuant to a negotiated fee agreement with the client.

Fees are calculated quarterly and paid quarterly in advance based on the market value of the Account at the end of the previous quarter. If a client withdraws funds or terminates an account, any fees, commissions or other expenses associated with rebalancing or liquidating the account's holdings may be assessed to the account. Either the client or McIlrath & Eck may terminate the investment advisory agreement at any time by providing two weeks written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five days of signing our investment advisory agreement. After five business days, clients will receive a pro-rata refund.

Clients do not incur transaction charges (except for brokerage charges to the extent that trades are conducted through brokers or dealers other than who we choose). However, you may pay custodial fees, advisory fees charged by sub-managers and charges imposed directly by mutual funds and exchange traded funds or index funds, which charges are disclosed in each fund's prospectus.

Fees will be automatically deducted from your account in accordance with the following process for your protection:<sup>1</sup>

- The custodian sends statements no less frequently than quarterly showing all disbursements from the account, including the amount of the advisory fee; and
- Each client provides written authorization for us to be directly paid on these terms.

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<sup>1</sup> Fees for clients who prefer to pay their fees in a different manner will be due upon receipt of our fee invoice.

## Other Compensation

With each client's consent, most of our client accounts utilize the services of one or more qualified custodians with whom we have various master account relationships, generally an independent and unaffiliated FINRA-registered broker-dealer and/or a NYSE/SIPC member. These custodians offer services to independent investment advisors which include custody of securities, trade execution clearance and settlement of transactions.

Under our arrangements with these custodians, we receive brokerage, custody, and other related services which are not available to non-institutional clients. These services assist us in managing and administering clients' accounts. They may include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of fees from client accounts; and (v) assists with back-office functions, recordkeeping and client reporting.

Some custodians also offer other services intended to help us manage and further develop our advisory practice. These services may include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources and access to consultants and other third party service providers who provide a wide array of business related services and technology.

The custodians generally do not charge you separately for custody services. They are usually compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through them or that settle into their accounts.

Our receipt of the foregoing economic benefits from the various custodians with whom we have institutional relationships raise potential conflicts of interest. Each custodian most likely considers the amount and profitability to them of the assets in, and trades placed for, our client accounts. The custodians have the right to terminate these services in their sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain these services from custodians, we may have an incentive to recommend to our clients that the assets under our management be held in custody with such custodians and to place transactions for your account with such custodians. Our receipt of these services does not diminish our duty to act in your best interest.

The advice we offer you may involve investment in mutual funds and/or exchange traded funds ("ETFs"). All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders (described in each fund's prospectus). Such fees will generally include management fees and other fund expenses. We advise you to review all fees charged by mutual funds, ETFs, McIlrath & Eck and others to fully understand the total advisory fees you may be paying.

A wrap account program may not be suitable for all your investment needs, and your decision to participate in a wrap fee program should be based on your individual financial circumstances and investment goals.

The benefits under a wrap account program depend, in part, upon the size of your account and the number of transactions likely to be generated in the account. For example, wrap accounts may not be suitable for accounts with little activity or accounts comprised principally of fixed income securities.

Participating in a wrap account program may cost more or less than the cost of purchasing the same services separately from a broker or dealer.

## ITEM 5: ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

We provide investment advice to individuals, institutions, pension and profit-sharing plans, trusts, estates and charitable organizations.

We generally require that clients maintain a minimum of \$250,000 in assets under management. Although we may waive this minimum on a case-by-case basis, we believe this minimum capital is required to properly and prudently diversify a client's portfolio.

## ITEM 6: PORTFOLIO MANAGER SELECTION AND EVALUATION

Investment advice is provided by Thor McIlrath, managing member and portfolio manager, Brian Wyatt, portfolio manager and/or Troy Crutcher, financial advisor. Additional information regarding each of these individuals is provided in the attached Part 2B.

We do not require particular qualifications that our personnel must meet as to education or business experience. Rather, we select personnel involved in giving investment advice based on criteria that takes into account many factors relating to their overall experience, qualifications and integrity. In addition, all personnel involved in giving investment advice must meet the examination or experience requirements of the states in which they provide investment advisory services.

If a client expresses a preference for a portfolio manager we will accommodate that request. Portfolio managers may be changed at the client's request or on our initiative either to balance workload or to match a client's particular needs with the portfolio managers' varying areas of expertise and/or experience.

## ITEM 7: CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

When you establish an investment advisory account with us, one of our portfolio managers (Thor McIlrath, Brian Wyatt or Troy Crutcher) will discuss with you your current financial situation, return objectives, risk tolerance, investment restrictions and other relevant information. It is your responsibility to provide accurate and complete information. The failure to do so could affect the services we provide. We enter into an investment management agreement with each client which discloses the investment style we will use to manage your account.

We do not share or disclose client information to nonaffiliated third parties except as permitted or required by law or as necessary to open and service your account. We are committed to safeguarding the confidential information we receive from clients.

## ITEM 8: CLIENT CONTACT WITH PORTFOLIO MANAGERS

Clients may contact and consult directly with us during regular business hours, which are Monday through Friday, 8:00 a.m. to 4:00 p.m., Pacific time. There are no restrictions on client access to us—clients may contact us as often as is necessary to discuss their account and other financial needs.

We continuously review the performance of individual portfolios and portfolio managers. No independent third parties are used to monitor performance. We attempt to measure performance in all client accounts on a uniform and consistent basis but may alter our methodology in unusual cases, such as when a client portfolio holds private investments, restricted securities, control securities or other difficult-to-value assets.

## ITEM 9: ADDITIONAL INFORMATION

### Disciplinary Information

We have no legal or disciplinary events to report involving McIlrath & Eck LLC, or any related individual.

### Code of Ethics

We have adopted a code of ethics (“Code of Ethics”) for all of our employees describing our high standard of business conduct and fiduciary duties to our clients. As a fiduciary, we have a responsibility to act solely in the best interest of each of our clients at all times. This fiduciary duty is considered the core principle for our Code of Ethics.

Our employees and persons associated with us are required to follow the Code of Ethics. Subject to satisfying the Code of Ethics and applicable laws, our officers and employees may trade for their own accounts in securities which are purchased for our clients. Among other things, our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in your best interest and (ii) implementing the decisions while, at the same time, allowing employees to invest for their own accounts. Because the Code of Ethics in some circumstances permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee.

You may request a copy of the firm's Code of Ethics by contacting us.

### Review of Accounts

Portfolio Reviews and Rebalancing of the client’s portfolio are undertaken: (1) periodically, (2) upon request, and (3) upon a substantial asset class decline, under the following adopted policies and procedures:

Investment management accounts are reviewed daily. All client account reviews are performed by Mr. McIlrath, Mr. Wyatt and/or Mr. Crutcher to ascertain if the values in any asset class have strayed beyond their account’s target minimums or maximums and for purposes of meeting a client’s cash flow needs.

McIlrath and Eck, LLC  
Wrap Account Brochure  
Supplement to Form ADV

Even if one of more asset classes fall outside their target minimums or maximums, we may determine not to rebalance the asset class for various reasons, such as avoidance of short-term capital gains, etc.

Additional portfolio reviews are undertaken upon request by the client, such as when additional cash or securities are added to the investment portfolio.

## Portfolio Reports Provided to Clients.

We provide periodic performance reports and overviews to each client. Monthly or quarterly statements from the account custodian(s) are sent to each client directly from the corresponding brokers, banks, mutual funds, partnership sponsors etc., which hold the client's investments. These statements disclose the assets in the custodian's custody.

**We strongly encourage you to review the monthly or quarterly account statements you receive from custodians and McIlrath & Eck.**

## Use of Solicitors

We do not directly or indirectly compensate anyone for client referrals.

## Financial Information

We have no financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients, and we have not been the subject of a bankruptcy proceeding.

**Thor H. McIlrath**

16404 Smoky Point Blvd., Suite 305  
Arlington, WA 98223  
(360) 657-8600

January 31, 2013

This Brochure Supplement provides information about Thor H. McIlrath that supplements the McIlrath & Eck, LLC Brochure. You should have received a copy of that Brochure. Please contact Thor McIlrath, Managing Member at (360) 657-8600 or [thor@mcilratheck.com](mailto:thor@mcilratheck.com) if you did not receive McIlrath & Eck, LLC's Brochure or if you have any questions about the content of this supplement.

Additional information about Thor H. McIlrath is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Thor H. McIlrath was born in 1969.

**Educational Background**

<u>School Name</u>	<u>Degree</u>	<u>Year(s)</u>	<u>Major(s)</u>
Columbia College	None	3	Finance, Accounting
American College	None	3	Financial Planning
College of Financial Planning	CFP		Certificate program

**Employment Background**

Employment Dates: 9/2007 - Present  
Firm Name: McIlrath & Eck, LLC  
Type of Business: Investment Advisor  
Job Title & Duties: Managing Member

Employment Dates: 10/2009 - 4/2010  
Firm Name: Pacific Cornerstone Capital Incorporated  
Type of Business: Broker/Dealer  
Job Title & Duties: Registered Representative

### **Employment History (continued)**

Employment Dates: 2/2004 - 4/2008  
Firm Name: Cambridge Investment Research  
Type of Business: Broker/Dealer  
Job Title & Duties: Branch Manager

Employment Dates: 6/1992 - 3/2004  
Firm Name: Woodbury Financial Services  
Type of Business: Broker/Dealer  
Job Title & Duties: Registered Representative

### **Professional Designations**

Certified Financial Planner (CFP) – April 2003

The CFP designation is issued by the Certified Financial Planner Board of Standards, Inc. In order to receive a CFP designation, the candidate must have a bachelor's degree or higher from an accredited college or university and have 3 years of full-time personal financial planning experience. In addition, the candidate must complete a CFP board-registered program or hold one of the following: CPA, ChFC, Chartered Life Underwriter(CLU), CFA, Ph.D. in business or economics, Doctor of Business Administration or attorney's license. Once the designation is earned, the CFP must complete 30 hours of continuing education every 2 years.

### **ITEM 3: 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 each investment advisor representative providing investment advice to you. There is no information of this type to report.

### **ITEM 4: OTHER BUSINESS ACTIVITIES**

Mr. McIlrath is a licensed life insurance agent, and as such sells life insurance and annuities products. He may recommend insurance products to clients. Although many insurance products are commission-free, Mr. McIlrath may receive commissions if a client elects to purchase insurance products through him. All commissions received are disclosed to clients.

Our clients are under no obligation to purchase or apply for any insurance products, or to use Mr. McIlrath as the broker for recommended insurance products. If clients decide to purchase or apply for insurance, or use Mr. McIlrath as the broker for insurance products, a conflict may exist between the interests of McIlrath & Eck and the interests of the client.

### **ITEM 5: ADDITIONAL COMPENSATION**

Except as set forth above concerning insurance products and annuities, Mr. McIlrath does not receive any economic benefit from any non-client for providing advisory services.

## ITEM 6: SUPERVISION

Mr. McIlrath is a principal and senior officer of McIlrath & Eck and is self-supervised. His telephone number is (360) 657-8600.

**Sam K. Eck**

16404 Smoky Point Blvd., Suite 305  
Arlington, WA 98223  
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January 31, 2013

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Additional information about Sam K. Eck is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Sam K. Eck was born in 1944.

**Educational Background**

<u>School Name</u>	<u>Degree</u>	<u>Year</u>	<u>Major(s)</u>
University of Texas	BA	1966	Math
University of Texas	JD	1969	Law

**Employment Background**

Employment Dates: 9/2007 - Present  
Firm Name: McIlrath & Eck, LLC  
Type of Business: Investment Advisor  
Job Title & Duties: Managing Member

Employment Dates: 6/1992 - Present  
Firm Name: Sam K. Eck, Inc. P.S.  
Type of Business: Law Firm  
Job Title & Duties: Practice of law, Financial and Estate Planning

### ITEM 3: 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 each investment advisor representative providing investment advice to you. There is no information of this type to report.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Eck, as an attorney, provides legal services to his clients. Mr. Eck expects that some clients to whom he provides legal advice may also become clients of McIlrath & Eck. Clients of Mr. Eck are under no obligation to use the services offered by McIlrath & Eck, and clients of McIlrath & Eck are under no obligation to use the legal services offered by Mr. Eck. Mr. Eck provides some legal analysis to clients as part of McIlrath & Eck's financial planning services.

Mr. Eck is a licensed life insurance agent, and as such sells life insurance and annuities products. He may recommend insurance products to clients. Although many insurance products are commission-free, Mr. Eck may receive commissions if a client elects to purchase insurance products through him. All commissions received are disclosed to clients.

Our clients are under no obligation to purchase or apply for any insurance products, or to use Mr. Eck as the broker for recommended insurance products. If clients decide to purchase or apply for insurance, or use Mr. Eck as the broker for insurance products, a conflict may exist between the interests of McIlrath & Eck and the interests of the client.

### ITEM 5: ADDITIONAL COMPENSATION

Mr. Eck does not receive any economic benefit from any non-client for providing advisory services.

### ITEM 6: SUPERVISION

Mr. Eck is a principal and senior officer of McIlrath & Eck and is self-supervised. His telephone number is (360) 657-8600.

**Brian O. Wyatt**

16404 Smokey Point Blvd., Suite 305  
Arlington, WA 98223  
(360) 657-8600

January 31, 2013

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Additional information about Brian O. Wyatt is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Brian O. Wyatt was born in 1971. He received an AA in General Studies from Yakima Valley Community College in 1991, and a BS in accounting from Central Washington University in 1993.

**Employment Background**

Employment Dates: 8/2006 - Present  
Firm Name: McIlrath & Eck, LLC  
Type of Business: Investment Advisor  
Job Title & Duties: Financial Analyst, Portfolio Manager

Employment Dates: 6/1996 - 8/2006  
Firm Name: Drotzmann  
Type of Business: Interstate Trucking  
Job Title & Duties: Controller

### ITEM 3: 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 each investment advisor representative providing investment advice to you. There is no information of this type to report.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Wyatt is not involved in any other business activities.

### ITEM 5: ADDITIONAL COMPENSATION

Mr. Wyatt does not receive any economic benefit from any non-client for providing advisory services.

### ITEM 6: SUPERVISION

Thor McIlrath, Managing Member, is responsible for the supervision of Mr. Wyatt. His telephone number is (360) 657-8600.

**Troy J. Crutcher**

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Arlington, WA 98223  
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January 31, 2013

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Additional information about Troy J. Crutcher is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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**ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE**

Troy J. Crutcher was born in 1969. He received an AA in Business from Everett Community College in 2003, and a BA in Business Finance from Western Washington University in 2006.

**Employment Background**

Employment Dates: 4/2012 - Present  
Firm Name: McIlrath & Eck, LLC  
Type of Business: Investment Advisor  
Job Title & Duties: Financial Advisor

Employment Dates: 8/2008 - 3/2012  
Firm Name: Waddell & Reed  
Type of Business: Asset Management and Financial Planning Company  
Job Title & Duties: Financial Advisor

Employment Dates: 11/2002 - 8/2008  
Firm Name: Waddell & Reed  
Type of Business: Michael Leon Construction  
Job Title & Duties: Construction Foreman

### ITEM 3: 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 each investment advisor representative providing investment advice to you. There is no information of this type to report.

### ITEM 4: OTHER BUSINESS ACTIVITIES

Mr. Crutcher is not involved in any other business activities.

### ITEM 5: ADDITIONAL COMPENSATION

Mr. Crutcher does not receive any economic benefit from any non-client for providing advisory services.

### ITEM 6: SUPERVISION

Thor McIlrath, Managing Member, is responsible for the supervision of Mr. Crutcher. His telephone number is (360) 657-8600.