

**Form ADV: Uniform Application for Investment Adviser Registration  
Part 2A: Investment Adviser Firm Brochure**

**Valley Wealth, Inc.**

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**www.valleywealth.com**  
**IARD #146324**  
**SEC File No. 801-68866**

**February, 2013**

This brochure provides information about the qualifications and business practices of Valley Wealth, Inc. If you have any questions about the contents of this brochure, please contact our firm at the phone number listed above.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training.

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

## Item 2: Material Changes

**Last Annual Amendment Filing Date:** 03/29/2012

Since our last annual filing, VWI have made the following amendments to our Brochure:

1. Beginning Quarter 2 of 2013, fees deducted from client accounts for investment management services will be deducted separately for VWI's management fee and the Overlay Manager, Adhesion Wealth Advisors' management fee. This does not affect client's current fees in any way, but rather provides transparency for billing purposes. Please see Item 5 for more information.
2. Effective May 2013, management persons, Jeffrey Burrow and Jason Gordo, will be participating in a new outside business activity. Both management persons will be principals of a newly registered online investment advisory tool named LeapScore. Please see Item 10 for more information.

For any questions or concerns regarding this year's material changes, please contact Jeffrey Burrow at (209) 579-5900.

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## **Item 4: Advisory Business**

### **Business Background**

Established in 2008 by Jeffrey Burrow and Jason Gordo, Valley Wealth, Inc. (hereinafter "VWI", "We", "our firm", "us") provides investment advisory services to clients on a discretionary and non-discretionary basis.

Where VWI has been engaged to provide investment management services, the firm's investment management strategy is implemented in conjunction with the client's investment objectives, risk tolerance level, liquidity needs, tax and/or legal implications and other concerns where applicable.

### **Advisory Services**

VWI offers the following five services:

#### **1) Financial Planning and Consulting:**

We provide a variety of financial planning and consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or providing a financial consultation based on your financial goals and objectives. This planning or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans or financial consultations usually include general recommendations, either verbally or in writing, for a course of activity or specific actions to be taken. For example, recommendations may be made that you begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. We may refer you to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide you with a written summary of your financial situation, observations, and recommendations. Plans or consultations are typically completed within six (6) months of the client signing a contract with us, assuming you promptly provide us with all the information and documents we request. Implementation of the recommendations will be at your discretion.

#### **2) Investment Management using Models:**

We will manage your account on a discretionary basis using pre-defined investment models. We have six models and we will select the model that is appropriate to your investment objective and risk tolerance. We will also assist you in determining the portion of your investable assets that should be allocated to our models. The six models are:

<b>Model</b>	<b>% invested in Equities</b>	<b>% invested in Alternative Investments, Fixed Income or Cash</b>	<b>Comments</b>
Stock Limit 25	25	75	Lower Risk
Stock Limit 45	45	55	
Stock Limit 65	65	35	
Stock Limit 85	85	15	
Stock Limit 100	100	0	
Stock Limit 120	120	0	Highest Risk – May use margin or leveraged exchange-traded funds.

### **3) Account Aggregation:**

This program is a more comprehensive investment management strategy. We use a service called *ByAllAccounts* to help us aggregate account data for accounts held at multiple custodians. An example of this would be an employer retirement plan. As the foundation of this program, we use one or more of the six models identified in #2 above, as well as the services of the overlay manager. However, there are key differences:

This may be discretionary or non-discretionary.

We can include Section 529 college savings plans, variable life sub-accounts, variable annuity sub-accounts and your employer-sponsored retirement plan in the model management.

When managing the assets in your college savings plan, variable life, variable annuity or retirement plan, we will be restricted to using the investment vehicles allowed under the contract or the plan. In this case, we will endeavor to select investment vehicles that are most closely comparable to the investment vehicles used in our models. We may utilize your login/password in order to access the trading platform of the variable insurance contract or retirement plan.

### **4) Pension Consulting:**

We provide pension consulting services to employer plan sponsors on either a one-time or an ongoing basis. Generally, these pension consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure and participant education.

All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in section 1 of the Pension Consulting Agreement).

## **5) Third-Party Asset Management:**

We can provide you with a list of investment advisory services of third party professional portfolio management firms for the individual management of your account. The third party manager has full discretion to buy and sell securities within your account. We maintain discretion to add or replace a third party manager.

In order to assist you in the selection of a third party money manager, we typically gather information about your financial situation, investment objectives, and reasonable restrictions you can impose on the management of the account. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Investment advice and trading of securities is only offered by or through the third party money managers.

We periodically review third party money managers' reports provided to you, but no less often than on an annual basis. From time to time, we will contact you in order to review your financial situation and objectives; communicate information to third party money managers as warranted; and, assist you in understanding and evaluating the services provided by the third party money manager. We expect you to notify us of any changes in your financial situation, investment objectives, or account restrictions that could affect your account. You may also directly contact the third party money manager managing the account or sponsoring the program.

The foregoing services are provided pursuant to one or more written agreements setting forth the terms and conditions of services rendered.

### **Assets under Management**

As of 12/31/2012, VWI has a total of approximately \$280 million assets under management. Of this total asset amount, \$195 million are considered discretionary assets and \$85 million are non-discretionary assets.

## **Item 5: Fees & Compensation**

### **Advisory Fees**

The fee structure for the advisory services offered by VWI is as follows:

#### **1) Financial Planning and Consulting:**

We charge on an hourly or flat fee basis for financial planning and consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees are \$250, with billings increments of fifteen minute segments. Flat fees generally range from \$1,500 to \$10,000, and will be negotiated and agreed to by both parties in advance.

We require a retainer of fifty-percent (50%) of the financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

## 2) Investment Management using Models:

Assets Under Management	Annual Percentage of Assets Charge	Overlay Manager Annual Fee	Total Annual Fee
First \$500,000	1.50%	0.15%	1.65%
Next \$500,000	1.25%	0.15%	1.40%
Next \$1,000,000	1.00%	0.15%	1.15%
Next \$1,000,000	0.75%	0.15%	0.90%
Excess over \$3,000,000	0.50%	0.15%	0.65%

Fees are billed quarterly, in advance, based on the value of your account on the last trading day of the prior quarter. With your written permission fees are automatically deducted from your account at the custodian. In any partial calendar quarter, fees are pro-rated based on the number of days in which the account is open during the quarter. These fees may be negotiable at VWI's sole discretion. The minimum annual fee for the Overlay Manager is \$100.00. VWI's management fee is separate from the fee charged by the Overlay Manager. The fees for each of these services will be debited separately and shown on the client statement. The aggregate fees of both VMI and the Overlay Manager shall never exceed the published total annual fee.

## 3) Account Aggregation:

The fee for this service is 50% of the negotiated fee charged for Investment Management using Models.

The fee for managing assets in *multiple* accounts may be deducted from *one* account, with your specification and written approval. We may also invoice you directly, where fees will be due within 30 days of receipt.

## 4) Pension Consulting:

For pension consulting services, we can charge a flat fee or a fee based on assets under management. The fee we charge you is based on the scope and complexity of our engagement with you. Our flat fees generally range from \$750 to \$10,000. Flat fees will be charged annually for ongoing pension consulting services. If we charge a fee based on assets under management, the following fee schedule will apply. We can bill you either quarterly or monthly, depending on the agreement you have with your custodian/ record keeper. Fees can be negotiated and will be agreed to in advance. Fees will be billed in advance, based on the value of the assets as of the last trading day of the prior billing period.

Assets Under Management	VWI Annual Fee
First \$1,000,000	1.00%
Next \$1,000,000	0.50%
Next \$1,000,000	0.35%
Excess over \$3,000,000	0.25%

## **5) Third Party Asset Management:**

We are paid by third party money managers when we refer you to them and you decide to open a managed account. Third party money managers pay us a portion of the investment advisory fee that they charge you for managing your account. Fees paid to us by third party money manager are generally ongoing. All fees we receive from third party money managers and the written separate disclosures made to you regarding these fees comply with applicable state statutes and rules. The separate written disclosures you need to be provided with include a copy of the third party money manager's Form ADV Part 2, all relevant Brochures, a Solicitation Disclosure Statement detailing the exact fees we are paid and a copy of the third party money manager's privacy policy. The third party money managers we recommend will not directly charge you a higher fee than they would have charged without us introducing you to them.

### **Other Fees**

You may also incur additional fees charged by the custodian for trading or custodial activities. These fees are separate and distinct from the fees we charge you.

All fees paid to us for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and exchange-traded funds. These fees and expenses are described in each fund's prospectus or offering statement. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

Accordingly, you should review both the fees charged by the mutual funds, exchange- traded funds and the advisory fees charged by us to fully appreciate the total amount of fees you are paying.

### **Fees Paid in Advance**

You or VWI may terminate the advisory agreement, in whole or in part, at any time with 30 days written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess shall be refunded to you. Your advisory agreement with us cannot be transferred or assigned without your written approval, as assignment is defined in the Investment Advisors Act of 1940.

### **Commissionable Securities Sales**

We do not sell securities for a commission.

## Item 6: Performance-Based Fees & Side-By-Side Management

Qualified clients may choose to be charged “performance-based fees” – that is, fees based on a share of total return of the managed assets of a client. We charge performance based fees as follows:

<b>Assets Under Management</b>	<b>Annual Percentage of Assets Charge</b>
All Assets	0.50% + Incentive Fee described below

The performance based incentive fee is assessed quarterly in arrears at the end of each quarter as follows:

- 20% of client account total return greater than the S&P 500 total return during the same time period, based on the value of the account and performance of the S&P 500 as of the end of the last trading day of the prior quarter.
- The Overlay Manager, Adhesion Wealth Advisors, will also charge an annualized fee of 0.15%, or a minimum of \$100 per year, billed quarterly.
- Our performance fees are pro-rated for the first quarter of management.
- We reserve the right to waive or reduce the performance fees for clients primarily in cash positions.

In charging performance fees to some of our client accounts, we face a conflict because we can potentially receive greater fees from client accounts having a performance-based compensation structure than from those accounts we only charge a fee unrelated to performance. As a result, we may have an incentive to direct the best investment ideas to, or to allocate or sequence trades in favor of, the account that pays a performance fee.

We have taken several important steps to ensure that our performance based accounts are not favored over our client’s non-performance fee based accounts. These steps include:

A periodic comparison of our performance based and non-performance accounts. Our comparison will entail a review of our ten most profitable and ten least profitable (including unrealized gain or loss) investment decisions based on total return of positions opened and closed for each investment strategy or mandate offered to clients. We keep track of securities ticker symbol, purchase date, sale date, percentage of gain and/or loss, and dollar amount of the gain and/or loss. In the event that we find performance based accounts are being unduly (i.e., consistently) favored over non-performance based accounts, we would take action to address the situation. This could include allowing non-performance based accounts to trade before performance based accounts to the extent practicable, or if the problem persists, not allowing new performance based accounts, waiving our performance based fees or cancelling our performance based fee arrangements altogether and in some cases, termination of firm personnel.

The use of block trades and allocations made based on client’s risk tolerance, investment objectives and restrictions. A periodic review of the block trade allocations to detect whether profitable trades are being disproportionately allocated to performance based accounts, while unprofitable trades are being disproportionately allocated to pure-fee based accounts with no performance fee. If our



firm detects a problem in the allocation of block trades, our remedies are the same as those outlined above.

### **Item 7: Types of Clients & Account Requirements**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types.

We require a minimum account balance of \$250,000 for our asset management service. Generally, this minimum account balance requirement is not negotiable and would be required throughout the course of your relationship with us. The minimum annual fee for the Overlay Manager is \$100.00.

### **Item 8: Methods of Analysis, Investment Strategies & Risk of Loss**

VWI's research methods include:

- Charting – this method prepares a technical analysis using diagrams to illustrate various patterns or progressions in market or account movement,
- Fundamental Analysis - an assessment of various factors including, but not limited to security price, book value, industry and market outlook and other characteristics of the security,
- Technical Analysis - employs the use of advanced data aggregation techniques to define certain trends of progressions in market place activity, or
- Cyclical Analysis- a time based assessment which incorporates past and present performance to determine future value.

Our primary approach to asset management utilizes a tactical allocation strategy which has been designed to reduce risk and increase performance. In order to accomplish this objective, we primarily invest in mutual funds and exchange-traded funds over the long term.

At times, we may also recommend the following investment strategies:

- redistributing investment allocations to diversify the portfolio,
- purchasing specific stocks to increase sector weighting and/or dividend potential,
- employing cash positions as a possible hedge against market movement, where such movements may adversely affect the portfolio, or
- selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities,

overvaluation or overweighting of the position(s) in the portfolio, change in your risk tolerance of client, or any risk deemed unacceptable for your risk tolerance.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In most cases, at least a partial cash balance will be maintained in a money market account so that our firm may debit advisory fees for our asset management service, as applicable.

Our main sources of research information include financial newspapers and magazines, annual reports, prospectuses, filings with the United States Securities and Exchange Commission, company press releases, and research materials prepared by others.

### **Risk of Loss**

Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Where short term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a more conservative or long term purchase approach. Questions regarding these risks and/or increased costs may be directed to the firm and its representatives.

## **Item 9: Disciplinary Information**

Rule 206(4)-4 of the investment advisers act of 1940 requires us to provide you with disclosures of any legal or disciplinary activities deemed material to your evaluation of our services and our firm.

Neither the firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

## **Item 10: Other Financial Industry Activities & Affiliations**

In addition to their advisory duties, certain individuals associated with VWI are separately licensed as insurance agents and may receive separate compensation in the form of commissions from the sale of insurance products. If a financial plan or financial consultation recommends the purchase of an insurance product and you select one of our associated persons as the insurance agent, we will receive insurance commissions in addition to the fees charged for the plan or consultation. You may be able to obtain similar insurance products from other providers at a lesser cost.

Management persons, Jeffery Burrow and Jason Gordo, are currently engaged as principles of LeapScore, a financial technology company pending registration with the Securities and Exchange Commission as an investment adviser. The principles may refer clients to utilize LeapScore as this is a free online financial planning tool made available to the public. Client should be made aware that any purchases of services recommended by using LeapScore may result in a referral fee being paid to the principals. Any such fees will be disclosed to clients by providing LeapScores' Form ADV. Clients are under no obligation to utilize LeapScore services or transact in any recommendations our principals offer.

As part of our Third Party Asset Management described in Item 4 and Item 5 of this Brochure, the compensation paid to us by third party managers may vary, and thus, there may be a conflict of

interest in recommending a manager who shares a larger portion of its advisory fees over another manager. Our firm's fees are not higher than they would have been had our client obtained services directly from the third party money manager. Prior to referring clients to third party advisors, we will ensure that third party advisors are licensed or notice filed with the respective authorities. A potential conflict of interest in utilizing third party advisors may be an incentive to us in selecting a particular advisor over another in the form of fees or services. In order to minimize this conflict our firm will make our selections in the best interest of our clients.

#### **Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

VWI has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes our fiduciary duties and obligations to you, and sets forth our practice of supervising the personal securities transactions of employees who maintain access to your information. The Code of Ethics is available upon request.

VWI collects and maintains records of securities holdings and transactions made by employees. We review the personal trading practices of its employees to identify and resolve any potential or realized conflicts of interest.

VWI and/or its representatives may purchase or sell investments for their personal accounts that they have similarly recommended to you.

#### **Item 12: Brokerage Practices**

VWI utilizes many custodians to hold your account and to effect transactions in your account. Typically, our investment management services utilize the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, Member FINRA/SIPC.

Our investment management platform utilizes multiple custodians such Schwab, TD Ameritrade, or others. When managing the assets within your employer-sponsored retirement plan we will use the custodian selected by the plan sponsor.

We will consider using custodians other than Schwab for certain alternative investments. We may recommend specialized custodians such as Sterling Trust, Bank of New York, and State Street Bank and Trust Company. These firms do not provide any soft dollar arrangements or compensation to VWI.

Schwab charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Schwab enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Schwab's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Schwab may be higher or lower than those charged by other custodians and broker-dealers.

If you instruct us to use a custodian other than Schwab, it must be noted that our ability to negotiate commissions (where applicable), obtain volume discounts or otherwise obtain best execution may not be as favorable as might otherwise be obtained.

VWI maintains a fiduciary duty to seek best execution pricing for your transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and your specific needs.

Based on the above criteria, you may not necessarily pay the lowest commission or commission equivalent as specific transactions can involve specialized services on the part of the broker. This would justify higher commissions (or their equivalent) than other transactions requiring routine services.

### **Disclosures Related to Schwab:**

Schwab makes certain research and brokerage services available at no additional cost to our firm. These services include research services obtained by Schwab directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Schwab may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Schwab to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

Schwab also makes available to our firm products and services that help manage and administer clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab.

While, as a fiduciary, we endeavor to act in our your best interests, our recommendation that you maintain you assets in accounts at Schwab may be based in part on the benefit to our firm of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

In addition to the above ancillary business support services, Schwab has provided a loan to us to assist its business operations, and the loan is guaranteed by Jason M. Gordo and Jeffrey S. Burrow, principals of the firm. The terms of the loan require that management fees to Advisor be paid to an account at Schwab for deduction of interest and principal payments pursuant to the loan before we may have access to that fee payment. The loan agreement contains various representations by our

company, including that it will maintain \$75 million in assets under management, and various events of default, including that we will comply with all laws, contracts, licenses and permits. In the event of an unheeded default under the terms of the loan agreement, Schwab may terminate and/or accelerate the loan, which may have a material adverse effect on our ability to perform services for you.

### **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Item 13: Review of Accounts or Financial Plans**

We review accounts on at least a weekly basis for our clients subscribing to our Investment Management using Models service. Third Party Money Management clients receive at least quarterly reviews. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews. Accounts will be reviewed more frequently as necessary to respond to significant changes in client circumstances or changes in market conditions. Triggering factors to warrant more in depth review could include the following;

- Awareness of a change in your investment objective
- change in market conditions
- change in your employment status
- re-balancing of assets to maintain proper asset allocation
- other activity discovered as the account is normally reviewed.

Pension Consulting clients receive reviews of their pension plans for the duration of the pension consulting service. We also provide ongoing services to Pension Consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

You will receive written brokerage or custodial statements each quarter. You are encouraged to notify us of changes to your personal finances, especially those changes that might adversely affect your investment plan.

Pension Consulting clients do not receive written or verbal updated reports regarding their pension plans unless they choose to contract with us for ongoing Pension Consulting services.

Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

#### **Item 14: Client Referrals & Other Compensation**

Beyond what is disclosed in Item 10 and 12 of this Brochure, VWI does not receive additional compensation, economic benefits, sales awards, or other prizes.

VWI may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. Pursuant to Section 206 (4)-3 of the Investment Advisers Act of 1940, all appropriate disclosures shall be made, all written documentation will be maintained by VWI and all applicable federal and/or state laws will be observed.

#### **Item 15: Custody**

Other than the client authorized direct deductions of fees from accounts, VWI does not maintain or accept custody of client funds or securities.

In the event that we maintain your login/password in order to manage your variable insurance contract or retirement plan on a discretionary basis, we will not use your login/ password to withdraw funds or securities or transfer them to an account not in your name.

#### **Item 16: Investment Discretion**

When signing the investment management agreement, you may give us discretionary authority over the selection and amount of securities to be bought or sold in your accounts without obtaining your prior consent or approval. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by mutual agreement between you and us.

#### **Item 17: Voting Client Securities**

VMI does not maintain any voting or proxy rights with respect to corporate actions related to such assets. You will vote your own proxies, which you will receive directly from your custodian or broker-dealer. You may contact us if you have any questions.

### **Item 18: Financial Information**

As of the date of this filing, VWI or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.

Also, we do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

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Item 1: Cover Page**

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**IARD #146324**

**SEC File No. 801-68866**

**February, 2013**

This brochure supplement provides information about Jeffrey Burrow, Jason Gordo, Mark Royer, Mark Sconyers, and Allen Buckley that supplements our brochure. You should have received a copy of that brochure. Please contact Jeffrey Burrow if you did not receive Valley Wealth, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about our advisors is available on the SEC's website at <http://www.adviserinfo.sec.gov>.



## **Jeffrey Scott Burrow CFP®, CRPS ®**

### **Item 2: Educational Background & Business Experience**

**Jeffrey Scott Burrow, CFP®, CRPS ®**

**Year of Birth:** 1977

**CRD #**4119745

**Educational Background:** 1999: University of California, Santa Barbara; Bachelor of Arts

**Business Background:**

- 03/2008 – Present Valley Wealth, Inc; President, Secretary & Chief Compliance Officer
- 02/2005 – 03/2008 Citigroup Global Markets; Financial Advisor
- 12/1999 – 02/2005 Dean Witter Reynolds, Inc; Financial Advisor

**Licenses & Other Professional Designations:**

2007: Certified Financial Planner (CFP®)

The Certified Financial Planner designation is awarded by the Certified Financial Planner Board of Standards ([www.cfp.net](http://www.cfp.net)) to those candidates that have successfully completed a rigorous course of study. The Board further requires charter holders to maintain certain ethical and professional standards of excellence.

2007: Chartered Retirement Plans Specialist<sup>sm</sup> (CRPS®)

Those who earn the CRPS mark successfully complete a specialized curriculum based on client-centered, problem-solving methods for retirement planning and training, which provide the individual with the knowledge to recommend implementation techniques that can be executed into well-structured, company-appropriate retirement plans, as well as the ability to effectively administer retirement plans for businesses and their employees. Training and completion of a final exam typically take 6 – 8 weeks to complete.

2009: Accredited Investment Fiduciary (AIF®)

Those who earn the AIF mark successfully complete a specialized program on investment fiduciary standards of care and subsequently passed a comprehensive examination. AIF designees demonstrate a thorough understanding of fi360's Prudent Practices for investment advisors and stewards.

### **Item 3: Disciplinary Information**

There are no disciplinary events to disclose.

#### **Item 4: Other Business Activities and Item 5: Additional Compensation**

Mr. Burrow is a licensed insurance agent/broker (California License #0D11542) with various insurance companies and agencies. He may receive the normal commission for insurance sales in his role as an insurance agent/broker. This practice gives Mr. Burrow an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Mr. Burrow has a fiduciary duty to act in the best interest of the firm's clients and clients are under no obligation to purchase insurance from Mr. Burrow in his capacity as an insurance agent.

Mr. Burrow is engaged in Fat Donkey, Inc. dba LeapScore, a financial technology company pending registration as an investment adviser with the Securities and Exchange Commission. He receives no additional compensation at this time. This activity occupies 40 hours per month of his time.

#### **Item 6: Supervision**

Jason Gordo is a principal of Valley Wealth, Inc, and as such supervises and monitors Mr. Burrow's activities on a regular basis to ensure compliance with our firm's Code of Ethics. Please contact Mr. Gordo if you have any questions about Mr. Burrow's brochure supplement at (209) 579-5900.

## **Jason Michael Gordo, CRPS®, AIF®**

### **Item 2: Educational Background & Business Experience**

**Jason Michael Gordo, CRPS®, AIF®**

**Year of Birth:** 1974

**CRD #**4350600

**Educational Background:**

- 1996: Modesto Junior College; Associate of Arts
- 2004: University of Phoenix; Bachelor of Science in Business Management

**Business Background:**

- 03/2008 – Present Valley Wealth, Inc; Chief Executive Officer & Treasurer
- 05/2001 – 03/2008 Citigroup Global Markets; Financial Advisor

**Exams, Licenses & Other Professional Designations:**

2009: Chartered Retirement Plans Specialist<sup>sm</sup> (CRPS®)

Those who earn the CRPS mark successfully complete a specialized curriculum based on client-centered, problem-solving methods for retirement planning and training, which provide the individual with the knowledge to recommend implementation techniques that can be executed into well-structured, company-appropriate retirement plans, as well as the ability to effectively administer retirement plans for businesses and their employees. Training and completion of a final exam typically take 6 – 8 weeks to complete.

2009: Accredited Investment Fiduciary (AIF®)

Those who earn the AIF mark successfully complete a specialized program on investment fiduciary standards of care and subsequently passed a comprehensive examination. AIF designees demonstrate a thorough understanding of fi360's Prudent Practices for investment advisors and stewards.

### **Item 3: Disciplinary Information**

There are no disciplinary events to disclose.

### **Item 4: Other Business Activities and Item 5: Additional Compensation**

Mr. Gordo is a licensed insurance agent/broker (California License #0D65168) with various insurance companies and agencies. He may receive the normal commission for insurance sales in his role as an insurance agent/broker. This practice gives Mr. Gordo an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Mr. Gordo has a fiduciary duty to act in the best interest of the firm's clients and clients are under no obligation to purchase insurance from Mr. Gordo in his capacity as an insurance agent.

Mr. Gordo is engaged in Fat Donkey, Inc. dba LeapScore, a financial technology company pending registration as an investment adviser with the Securities and Exchange Commission. He receives no additional compensation at this time. This activity occupies 40 hours per month of his time.

<b>Item 6: Supervision</b>
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Jeffrey Burrow, President and Chief Compliance Officer of Valley Wealth, Inc, supervises and monitors Mr. Gordo's activities on a regular basis. Mr. Burrow reviews all outgoing correspondence for written financial advice that Jason Gordo provides to his clients. Please contact Mr. Burrow if you have any questions about Mr. Gordo's brochure supplement at (209) 579-5900.

## **Mark E. Royer**

### **Item 2: Educational Background & Business Experience**

**Mark E. Royer**

**Year of Birth:** 1955

**CRD #**1325679

**Educational Background:** 1982: California State University, Fresno; Bachelor of Science in Agricultural Business (Summa Cum Laude)

**Business Background:**

- 10/2011 – Present Valley Wealth, Inc; Wealth Advisor
- 08/2001 – 10/2011 Select Wealth Advisors, Inc; President & Chief Compliance Officer
- 09/1987 – 08/2001 Crosby, Royer, Starin & Trevino, Inc; Vice President & Advisor Rep
- 12/1984 – 09/1987 American Express Financial Advisors; Financial Advisor

**Licenses & Other Professional Designations:**

1988: Certified Financial Planner (CFP®)

The Certified Financial Planner designation is awarded by the Certified Financial Planner Board of Standards ([www.cfp.net](http://www.cfp.net)) to those candidates that have successfully completed a rigorous course of study. The Board further requires charter holders to maintain certain ethical and professional standards of excellence.

2010: Chartered Financial Consultant

Awarded by The American College ([www.theamericancollege.edu](http://www.theamericancollege.edu)), the Chartered Financial Consultant designation is awarded to those candidates that hold at least 3 years of experience within the financial services industry and maintain the College's professional, ethical, and continuing education requirements.

### **Item 3: Disciplinary Information**

There are no disciplinary events to disclose.

### **Item 4: Other Business Activities and Item 5: Additional Compensation**

Mr. Royer is a licensed insurance agent/broker (Calif. License #0678706) with various insurance companies and agencies. He may receive the normal commission for insurance sales in his role as an insurance agent/broker. This practice gives Mr. Royer an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Mr. Royer has a fiduciary duty to act in the best interest of the firm's clients and clients are under no obligation to purchase insurance from Mr. Royer in his capacity as an insurance agent.

Mr. Royer is a walnut farmer. He is compensated based on the sale of his crop. This occupies 15% of his time.

<b>Item 6: Supervision</b>
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Jeffrey Burrow, President and Chief Compliance Officer of Valley Wealth, Inc, supervises and monitors Mr. Royer's activities on a regular basis. Mr. Burrow reviews all outgoing correspondence for written financial advice that Mr. Royer provides to his clients. Please contact Mr. Burrow if you have any questions about Mr. Royer's brochure supplement at (209) 579-5900.

## **Mark Sconyers**

### **Item 2: Educational Background & Business Experience**

**Mark Sconyers**

**Year of Birth:** 1953

**CRD #**5453993

**Educational Background:** 1976: Whitman College; Bachelor of Arts

**Business Background:**

- 11/2010 – Present Valley Wealth, Inc; Wealth Advisor
- 07/2008 – 11/2010 Fort Washington Asset Management; Financial Advisor
- 12/1989 – 02/2008 Mark Sconyers & Associates; Third Party Administrator

**Exams, Licenses & Other Professional Designations:**

- 1999: Accredited Pension Administrator
- 2010: Series 65 Exam

### **Item 3: Disciplinary Information**

There are no disciplinary events to disclose.

### **Item 4: Other Business Activities and Item 5: Additional Compensation**

Mr. Sconyers is a licensed insurance agent/broker (Calif. License #0D03880) with various insurance companies and agencies. He may receive the normal commission for insurance sales in his role as an insurance agent/broker. This practice gives Mr. Sconyers an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Mr. Sconyers has a fiduciary duty to act in the best interest of the firm's clients and clients are under no obligation to purchase insurance from Mr. Sconyers in his capacity as an insurance agent.

Mr. Sconyers provides consulting services to Total Benefits Services. This presents no conflict of interest with his activities with Valley Wealth, Inc. This activity occupies 5% of his time.

### **Item 6: Supervision**

Jeffrey Burrow, President and Chief Compliance Officer of Valley Wealth, Inc, supervises and monitors Mr. Sconyers' activities on a regular basis. Mr. Burrow reviews all outgoing correspondence for written financial advice that Mr. Sconyers provides to his clients. Please contact Mr. Burrow if you have any questions about Mr. Sconyers' brochure supplement at (209) 579-5900.

## **Allen Buckley**

### **Item 2: Educational Background & Business Experience**

**Allen Buckley**

**Year of Birth:** 1978

**CRD #**4996604

**Educational Background:**

- 2001: Orange Coast College; Associate of Arts
- 2010: Stanislaus State University; Bachelor of Arts

**Business Background:**

- 05/2009 – Present Valley Wealth, Inc; Wealth Advisor
- 06/2003 – 05/2009 Teachers Retirement Services; Financial Advisor

**Exams, Licenses & Other Professional Designations:**

- 2009: Series 65

### **Item 3: Disciplinary Information**

There are no disciplinary events to disclose.

### **Item 4: Other Business Activities and Item 5: Additional Compensation**

Mr. Buckley is a licensed insurance agent/broker (California License #0D92145) with various insurance companies and agencies. He may receive the normal commission for insurance sales in his role as an insurance agent/broker. This practice gives Mr. Buckley an incentive to recommend investment products based on the compensation received, rather than on the client's needs. Mr. Buckley has a fiduciary duty to act in the best interest of the firm's clients and clients are under no obligation to purchase insurance from Mr. Buckley in his capacity as an insurance agent.

### **Item 6: Supervision**

Jeffrey Burrow, President and Chief Compliance Officer of Valley Wealth, Inc, supervises and monitors Mr. Buckley's activities on a regular basis. Mr. Burrow reviews all outgoing correspondence for written financial advice that Mr. Buckley provides to his clients. Please contact Mr. Burrow if you have any questions about Mr. Buckley's brochure supplement at (209) 579-5900.