

## **Firm Brochure**

(Part 2A of Form ADV)

**CITRIN COOPERMAN WEALTH MANAGEMENT, LP**

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This brochure provides information about the qualifications and business practices of Citrin Cooperman Wealth Management, LP. If you have any questions about the contents of this brochure, please contact us at: (215) 545-4800, or by email at: [dpilaitis@ccwmlp.com](mailto:dpilaitis@ccwmlp.com). 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.

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

March 30, 2012

# Material Changes

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## Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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## Material Changes since the Last Update

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 30, 2012 is an updated version to the brochure that was filed with the SEC in March 2011, and is prepared according to the SEC’s new requirements and rules.

This document does not contain changes we believe are material. In addition, while we do not view the increase in the firm’s assets under management, due to the addition of personal and the increased activity emanating from the alternative investment area, as a material change, such addition is noted here as being in line with general good business practices.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

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## Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (215) 545-4800 or by email at: [dpilaitis@ccwmlp.com](mailto:dpilaitis@ccwmlp.com).

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## **Advisory Business**

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### **Firm Description**

Citrin Cooperman Wealth Management, LP ("CCWM") was founded in 1997 as YMSR Advisors, Inc. On May 1, 2008 YMSR Advisors, Inc. merged and was rolled into CCWM.

As discussed below, CCWM provides its clients (i.e. individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities) with financial planning as well as discretionary and non-discretionary investment management services. Non-discretionary investment management services can negatively impact client accounts if CCWM is unable to contact clients during sudden negative market conditions.

Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

CCWM is strictly a fee-only financial planning and investment management firm. The firm is affiliated with Citrin Cooperman Financial Services, LLC which sells insurance based products. No finder's fees are accepted.

In non-discretionary accounts, investment advice is provided, with the client making the final decision on investment selection. CCWM does not act as a custodian of client assets. The client always maintains asset control. CCWM places trades for clients under a limited power of attorney for non-discretionary accounts.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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### **Principal Owners**

Citrin Cooperman Holding Company, LLC is a General Partner owning 89% of the general partnership interests of CCWM. Bruckman Asset Management LLC is a General Partner owning 10% of the general partnership interests of CCWM, and is wholly owned by David Bruckman, who is the Managing

Director of CCWM. Alan Mandeloff is the President and limited partner owning 1% of the partnership interests of CCWM.

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**Types of Advisory Services**

CCWM provides investment supervisory services, also known as asset management services and furnishes investment advice through consultations.

On more than an occasional basis, CCWM furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

As of March 30, 2012, CCWM manages approximately \$766,189,816.00 in assets for approximately 806 accounts. Approximately \$157,810,610.00 is managed on a discretionary basis, and \$608,378,816.00 is managed on a non-discretionary basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client investment policy statements and held in a hard copy folder as well as on the CCWM server. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Arrangements**

The following agreements define the typical client relationships.

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**Financial Planning Arrangement**

CCWM may provide its clients with a broad range of comprehensive financial planning and consulting services (including non-investment related matters). CCWM will charge a fee (fixed and/or hourly) for these services. CCWM's financial planning fees are negotiable, but generally range from \$1,500 to \$6,000 on a fixed fee basis or approximately \$250 on an hourly rate basis, depending upon the level and scope of the services required and the professional rendering the service(s). Prior to engaging CCWM to provide financial planning and/or consulting services, the client will generally be required to enter into a *Financial Planning Agreement* with CCWM setting forth the terms and conditions of the engagement, describing the scope of the services to be provided. In the event the client terminates CCWM's financial planning and/or consulting services, the balance of CCWM's fee, if any, shall be refunded to the client. In performing its services, CCWM shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, CCWM may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the

services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from CCWM. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify CCWM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising CCWM's previous recommendations and/or services.

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### **Investment Management Arrangement**

The client may engage CCWM to design an investment portfolio and provide ongoing corresponding investment management services on a *fee* basis. In the event the client determines to implement investment recommendations through CCWM on a *fee* basis, CCWM shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by CCWM. The investment management fee charged shall vary (generally between 0.30% and 1.00%) depending upon the market value of assets under management and the specific type of discretionary or non-discretionary investment management services to be rendered.

In addition to the discretionary investment management services provided by *Independent Manager(s)* (see discussion below), CCWM *may* recommend that its clients allocate a portion of their investment management assets among various mutual fund classes and/or mutual fund asset allocation programs, on a non-discretionary basis, in accordance with the investment objectives of the client. Prior to rendering investment management services, CCWM ascertains, in conjunction with the client, the client's financial situation, risk tolerance, and investment objective(s).

Unless the client directs otherwise, CCWM shall generally recommend that investment management accounts be maintained at *Charles Schwab & Co., Inc.* ("*Schwab*"). Factors which CCWM considers in recommending *Schwab* (or any other broker-dealer/custodian) to clients include *Schwab's*, respective financial strength, reputation, execution, pricing, reporting, research, and service. Prior to CCWM providing investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with CCWM setting forth the terms and conditions under which CCWM shall manage the client's assets, and a separate custodial/clearing agreement with *Schwab*. Both CCWM's investment advisory agreement and *Schwab's* custodial/clearing agreement may authorize *Schwab* to debit the account for the amount of CCWM's investment management fee and to directly remit that management fee to CCWM in accordance with required SEC procedures. In addition to CCWM's investment management fee, the client shall also incur, relative to mutual fund purchases, charges imposed directly at the mutual fund level (i.e. fund advisory fees and expenses). The investment advisory agreement between CCWM and the client will continue in effect unless terminated by either party by written notice in accordance with the terms and



conditions of the *Investment Advisory Agreement*. CCWM's investment management fee shall be prorated through the date of termination.

Currently, CCWM recommends that certain clients allocate investment assets among various mutual funds, exchange traded funds ("ETFs") and or individual debt and equity securities and/or independent manager programs offered by and/or obtained through *Schwab*. *Schwab* enables CCWM to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges. The commission and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other broker-dealers.

In addition to the various investment alternatives offered by/through *Schwab*, or, for those clients that require an enhanced and/or specialized level of asset management services, CCWM shall also recommend that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain independent investment manager[s] and/or investment programs (the "*Independent Manager[s]*"), based upon the stated investment objectives of the client. The terms and conditions under which the client shall engage the *Independent Manager[s]* shall be set forth in separate written agreements between the client and CCWM and the client and the designated *Independent Manager[s]*. CCWM shall continue to render non-investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives, for which CCWM shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager[s]*. Factors which CCWM shall consider in recommending *Independent Manager[s]* include the client's stated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fees charged by the designated *Independent Manager[s]*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, CCWM's ongoing investment advisory fee.

In return for effecting securities transactions through *Schwab* or any other designated broker-dealer/custodian, CCWM may receive certain investment research products and/or services which assist CCWM in its investment decision-making process for the client, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934. The brokerage commissions and/or transaction fees charged by *Schwab* are exclusive of, and in addition to, CCWM's investment management fee. Although the commissions and/or transaction fees paid by CCWM's clients shall comply with CCWM's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where CCWM determines, in good faith, that

the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, execution capability, commission rates, and responsiveness. Accordingly, although CCWM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions.

With respect to its non-discretionary asset management services, CCWM generally maintains ongoing responsibility to make recommendations, based upon the needs of the client, as to the specific securities the account may purchase or sell.

In performing its services, CCWM shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. The client is free to accept or reject any recommendation made by CCWM. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify CCWM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising CCWM's previous recommendations and/or services, or if they wish to impose any reasonable restrictions upon CCWM's management services.

A copy of the written disclosure statement for the CCWM, as set forth on Part 2A and 2B of Form ADV, shall be provided to each client prior to, or contemporaneously with, the execution of the *Financial Planning Agreement* or *Investment Advisory Agreement*. Any client who has not received a copy of CCWM's written disclosure statement at least forty-eight (48) hours prior to executing the *Financial Planning Agreement* or *Investment Advisory Agreement* shall have five (5) business days subsequent to executing the agreement to terminate CCWM's services without penalty.

Neither CCWM nor the client may assign the *Financial Planning Agreement* or *Investment Advisory Agreement* without the prior consent of the other party. Transactions that do not result in a change of actual control or management of CCWM shall not be considered an assignment.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying CCWM in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, CCWM's fee shall be prorated through the date of termination.

CCWM may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, CCWM's fee shall be prorated through the date of termination.

## **Fees and Compensation**

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### **Description**

CCWM bases its fees on a percentage of assets under management, hourly charges or fixed fees (not including subscription fees).

Fees are negotiable for financial planning and investment management services.

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### **Fee Billing**

Investment management fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. CCWM's current basic annual fee schedule for investment management services is as follows:

1% for up to an including the first \$1,000,000  
.80% from \$1,000,000 up to an including \$3,000,000  
.60% from \$3,000,000 up to an including \$5,000,000  
.50% from \$5,000,000 up to an including \$7,000,000  
.25 over \$7,000,000

CCWM has a minimum annual fee of \$5,000.

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### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, exchange-traded funds and debt instruments. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

CCWM, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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**Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to CCWM.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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**Past Due Accounts and Termination of Agreement**

CCWM reserves the right to stop work on any account that is more than ninety (90) days overdue. In addition, CCWM reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in CCWM's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within thirty (30) days.

## Performance-Based Fees

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**Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

CCWM does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## Types of Clients

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**Description**

CCWM generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities other than those already listed above.

Client relationships vary in scope and length of service.

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**Account Minimums**

The minimum account size is \$500,000 of assets under management, which equates to an annual fee of \$5,000.

When an account falls below \$500,000 in value, the minimum annual fee of \$5,000 is charged. Depending upon circumstances, CCWM will sign an

*Hourly Agreement* with the client if assets have diminished significantly below \$500,000.

CCWM has the discretion to waive the account minimum. Accounts of less than \$500,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$500,000 within a reasonable time. Other exceptions will apply to employees of CCWM and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services will be assessed a \$5,000 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that CCWM may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, Charles Schwab & Company's "SchwabLink" service, Zephyr & Associates, Inc. for manager/fund due diligence and the World Wide Web.

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### **Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach in the context of modern portfolio theory. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference, with a percentage of selected individual securities in the Fixed Income & Equity based side of the portfolio known as the "satellite" portion. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, option writing (including covered options, uncovered options or spreading strategies) and alternative

investments, including but not limited to, hedge funds and private equity funds.

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**Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- **Third Party Risk:** It is not uncommon for companies to maintain myriad third-party relationships in an effort to reduce costs, increase efficiency and focus more intently on core competencies. However, while businesses seek to gain a competitive and operational advantage through these relationships, they are also exposing themselves to an increasing level of risk. At the same time, however, it is becoming increasingly difficult for businesses to maintain the necessary controls for mitigating the risks associated with these relationships. Failure to manage these risks can expose a business to regulatory action, financial loss, litigation, and reputational damage, and may even impair the institution's ability to establish new or service existing customer relationships.

For those clients choosing to invest in alternative investments, such securities come with additional substantial risks as they are speculative in nature. They may not be registered or regulated under any laws, should be considered illiquid investments, are not freely transferable, may be highly leveraged, may be volatile, and may involve higher fees and expenses than other types of investments. Alternative investments may not be immediately redeemable. Alternative investments such as hedge funds only permit redemptions at specified time periods and in specified advanced notice. As a result, the client may be required to hold alternative investments in its account after termination of this or any investment management agreement with CCWM.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

CCWM is not involved in any other financial industry activities besides its investment advisory activities described in the "Advisory Business" Section of this Form ADV Part 2A.

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### **Affiliations**

CCWM has arrangements that are material to its advisory clients with two related entities. Citrin Cooperman & Company, LLP is an affiliated accounting firm and Citrin Cooperman Financial Services, LLC is an affiliated financial services firm providing clients with insurance based products.

# Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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## Code of Ethics

The employees of CCWM have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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## Participation or Interest in Client Transactions

CCWM has implemented an investment policy relative to personal securities transactions. This investment policy is part of CCWM's overall Code of Ethics which serves to establish a standard of business conduct for all of CCWM's Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust.

In accordance with Section 204A of the Investment Advisers Act of 1940, CCWM also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by CCWM or any person associated with CCWM.

CCWM and its employees may buy or sell securities that are also recommended to clients and/or held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the CCWM *Compliance Manual*.

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## Personal Trading

The Chief Compliance Officer of CCWM is David Pilaitis. He reviews all employee trades each quarter. His trades are reviewed by David Bruckman. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

# Brokerage Practices

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## Selecting Brokerage Firms

CCWM has an affiliation Schwab. Schwab enables CCWM to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges. Specific custodian recommendations are made to Clients based on their need for such services. CCWM recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. Commission and/or transaction fees charged by Schwab may be higher or lower than those charged by other broker-dealers.



CCWM does not receive fees or commissions from any of these arrangements.

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**Best Execution**

If requested, CCWM will arrange for the execution of securities brokerage transactions for the account through broker-dealers that CCWM reasonably believes will provide “best execution”. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although CCWM will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.

Consistent with obtaining best execution, transactions for a client’s account may be effected through broker-dealers in return for research products and/or services which assist CCWM in its investment decision making process. Such research generally will be used to service all of CCWM’s clients, but brokerage commissions paid by client may be used to pay for research that is not used in managing the client’s account. The account may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where CCWM determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Transactions for each client account generally will be effected independently, unless CCWM decides to purchase or sell the same securities for several clients at approximately the same time. CCWM may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among CCWM’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among CCWM’s clients in proportion to the purchase and sale orders placed for each client account on any given day. To the extent that the CCWM determines to aggregate client orders for the purchase or sale of securities, including securities in which CCWM’s principal(s) and/or associated person(s) may invest, CCWM shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* CCWM shall not receive any additional compensation or remuneration as a result of the aggregation.

The client may direct CCWM to use a particular broker-dealer (subject to CCWM’s right to decline and/or terminate the engagement) to execute some or all transactions for the client’s account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer,

and CCWM will not seek better execution services or prices from other broker-dealers or be able to “batch” the client’s transactions for execution through other broker-dealers with orders for other accounts managed by CCWM. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. In the event that transactions for client accounts are effected through a broker-dealer that refers investment management clients to the CCWM, the potential for conflict of interest may arise.

CCWM reviews the execution of trades at each custodian each quarter. The review is documented in the *CCWM Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. CCWM does not receive any portion of the trading fees.

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**Soft Dollars**

CCWM does not have soft dollar arrangements.

## **Review of Accounts**

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**Periodic Reviews**

Account reviews are performed quarterly by advisors Alan H. Mandeloff, President, David J. Pilaitis, Chief Compliance Officer, and David Bruckman, Managing Director. Account reviews may be performed more frequently when market conditions or fiduciary responsibility dictate.

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**Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Regular Reports**

Account reviewers are members of the firm's Investment Management Team. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. Investment Management clients receive written quarterly updates from custodians. Such clients also receive quarterly performance reports including time weighted return calculations for the most recent quarter and year to date and quarterly portfolio statements including gain/loss by investment and allocation by investment.

## Client Referrals and Other Compensation

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### Incoming Referrals

CCWM has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### Referrals Out

CCWM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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### Other Compensation

For accounts of CCWM clients maintained in custody at *Schwab*, *Schwab* will not charge the client separately for custody but will receive compensation from CCWM's clients in the form of commissions or other transaction-related compensation on securities trades executed through *Schwab*. *Schwab* also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through a broker-dealer other than *Schwab*. *Schwab*'s fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, CCWM may have an incentive to cause trades to be executed through *Schwab* rather than another broker-dealer. CCWM nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at *Schwab* may be executed through a different broker-dealer than trades for CCWM's other clients. Thus, trades for accounts held at *Schwab* may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

## Custody

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### Account Statements

All assets are held at a qualified custodian, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

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### Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by CCWM.

## Investment Discretion

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### Discretionary Authority for Trading

CCWM accepts discretionary authority to manage securities accounts on behalf of clients. CCWM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, CCWM consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. CCWM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

## Voting Client Securities

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### Proxy Votes

CCWM does not vote client proxies. Therefore, although CCWM may provide investment advisory services relative to client investment assets, CCWM's clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. CCWM and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

## Financial Information

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### Financial Condition

CCWM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because CCWM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

# Business Continuity Plan

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## General

CCWM has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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## Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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## Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

# Information Security Program

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## Information Security

CCWM maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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## Privacy Notice

CCWM is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.