

Firm Brochure
(Part 2 A & B of Form ADV)

TOWER WEALTH MANAGEMENT, LLC
25550 Chagrin Boulevard, Suite 100
Beachwood, Ohio 44122
216-295-2400
Fax: 216-2410
www.towerwealthmanagement.com
ensign@towerwealth.us

This brochure provides information about the qualifications and business practices of TOWER WEALTH MANAGEMENT, LLC. TOWER WEALTH MANAGEMENT, LLC is registered with the U.S. Securities and Exchange Commission as an investment advisor. This registration does not imply approval of business practices or certification of any level of training or skill. If you have any questions about the contents of this brochure, please contact us at: 216-295-2400, or by email at: wanderson@towerwealth.us. 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 TOWER WEALTH MANAGEMENT, LLC is available on the SEC's website at www.adviserinfo.sec.gov

February 6, 2011

TOWER WEALTH MANAGEMENT, LLC

Material Changes

Annual Update

In December 2011, TOWER WEALTH MANAGEMENT, LLC assigned (after obtaining written client consent) all investment management agreements dealing with clients who exclusively owned publically traded securities or who owned a mixture of publically traded securities and private placement securities. This was done in large part to create a secure long-term succession of the management of these client assets. TOWER WEALTH MANAGEMENT, LLC's representatives and most of its staff were absorbed into Carnegie Investment Counsel as of January 1, 2012.

TOWER WEALTH MANAGEMENT, LLC continues to function to provide monitoring, advice and administration for client holdings of private placement securities, to provide advice and administrative support to various closed-to-new-investment partnerships and limited liability companies, and as sub-advisor for such assets held by former Tower Wealth Management clients now with Carnegie Investment Counsel. The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone: 216-295-2400 or by email at: ensign@towerwealth.us.

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Advisory Business

Firm Description

TOWER WEALTH MANAGEMENT, LLC, was founded in 2008.

TOWER WEALTH MANAGEMENT, LLC currently provides counsel and administrative service in regards to certain private placement holdings of its clients.

Principal Owners

Ensign J. Cowell owns 100% of TOWER WEALTH MANAGEMENT LLC.

Types of Advisory Services

TOWER WEALTH MANAGEMENT, LLC currently provides counsel and administrative service in regards to certain private placement holdings of its clients.

As of December 31, 2011, TOWER WEALTH MANAGEMENT, LLC advised 46 clients on a total of approximately \$6.2 million in private placement or non-public securities.

Types of Agreements

The following agreements define the typical client relationships.

Investment Management Agreement

TOWER WEALTH MANAGEMENT, LLC bases its fees on a percentage of assets under management or on a fixed fee basis (not including subscription fees).

Asset Management

Investments may include: non-publicly traded equities (stocks), warrants, debt securities, and interests in partnerships.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying TOWER WEALTH MANAGEMENT, LLC 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, TOWER

WEALTH MANAGEMENT, LLC will refund any unearned portion of the advance payment.

TOWER WEALTH MANAGEMENT, LLC may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, TOWER WEALTH MANAGEMENT, LLC will refund any unearned portion of the advance payment.

Fees and Compensation

Description

TOWER WEALTH MANAGEMENT, LLC bases its fees on a percentage of assets under management or on a fixed fee basis (not including subscription fees).

Fees are generally not negotiable.

Fee Billing

Investment management fees are billed quarterly, in *advance*, meaning that we invoice you before the three-month billing period has begun. Payment in full is expected upon invoice presentation.

Other Fees

Not applicable.

Expense Ratios

Not Applicable.

Past Due Accounts and Termination of Agreement

TOWER WEALTH MANAGEMENT, LLC reserves the right to stop work on any account that is more than 90 days overdue. In addition, TOWER WEALTH MANAGEMENT, LLC 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 TOWER WEALTH MANAGEMENT, LLC's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

Sharing of Capital Gains

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

TOWER WEALTH MANAGEMENT, LLC 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

Description

All clients are qualified investors or the heirs of such investors. Tower Wealth Management, LLC is currently not seeking any new clients.

Account Minimums

Not Applicable.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Not Applicable.

Investment Strategies

Not Applicable.

Risk of Loss

All investment programs have certain risks that are borne by the investor, including among others,

- 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 next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments may be 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.

Tower seeks to consider these risks in its investment philosophy and process.

Disciplinary Information

Legal and Disciplinary

Neither the firm nor its employees have been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

TOWER WEALTH MANAGEMENT, LLC is not engaged in financial industry activities beyond providing investment management and counsel to its clients. It is **not** a registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

TOWER WEALTH MANAGEMENT, LLC functions in large part as sub-advisor to Carnegie Investment Counsel (an SEC regulated RIA) to provide clients with counsel and administrative support in regards to private placement securities.

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

Code of Ethics

The employees of TOWER WEALTH MANAGEMENT, LLC 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.

Participation or Interest in Client Transactions

TOWER WEALTH MANAGEMENT, LLC and its employees may buy or sell securities that are also held by clients. Employees comply with the provisions of the TOWER WEALTH MANAGEMENT, LLC *Compliance Manual*.

Personal Trading

Not Applicable due to nature and scope of business.

Brokerage Practices

Not Applicable

Review of Accounts

Periodic Reviews

Account reviews are performed not less than quarterly.

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.

Regular Reports

Clients receive written quarterly updates. The written updates may include a portfolio statement, performance data, and commentary on the status of the investment.

Client Referrals and Other Compensation

Incoming Referrals

Not applicable.

Referrals Out

TOWER WEALTH MANAGEMENT, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at qualified custodians or are held in book form with the issuer.

TOWER WEALTH MANAGEMENT, LLC collates third party estimates of the current value of these assets and provides status reports (commentary) upon them on a quarterly basis.

Investment Discretion

Due to the nature of the investments upon which advice is rendered and the scope of its engagement, TOWER WEALTH MANAGEMENT, LLC is not charged with nor have investment discretion.

Voting Client Securities

Proxy Votes

Unless the client designates otherwise, TOWER WEALTH MANAGEMENT, LLC votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. A copy of TOWER WEALTH MANAGEMENT, LLC's proxy voting policy and record of voting is available upon request.

Financial Information

Financial Condition

TOWER WEALTH MANAGEMENT, LLC 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 TOWER WEALTH MANAGEMENT, LLC 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 six months or more in advance.

Business Continuity Plan

General

TOWER WEALTH MANAGEMENT, LLC 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.

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.

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.

Loss of Key Personnel

TOWER WEALTH MANAGEMENT, LLC has implemented a plan to support TOWER WEALTH MANAGEMENT, LLC in the event of any serious disability or death of any particular employee.

Information Security Program

Information Security

TOWER WEALTH MANAGEMENT, LLC maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

TOWER WEALTH MANAGEMENT, LLC 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 may 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.

Brochure Supplement (Part 2A of Form ADV)

TOWER WEALTH MANAGEMENT, LLC **does not** act as adviser to any Wrap Fee Programs.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

TOWER WEALTH MANAGEMENT, LLC requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of investment management and financial planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.

- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Ensign J. Cowell, CFA, MBA**Educational Background:**

- Date of birth: 1941
- Master of Business Administration (Finance/Marketing), University of Virginia (1965)
- A.B. in Economics, Dartmouth University (1963)

Five Year Business Experience:

- TOWER WEALTH MANAGEMENT, LLC, Managing Principal (2008 to Present)
- Carnegie Investment Counsel, Director and Senior Wealth Manager (January, 2012 to Present)
- Greenleaf Capital Management, Principal and Director (1980-2008)

Disciplinary Information: None

Other Business Activities: Director and Senior Wealth Manager, Carnegie Investment Counsel

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

S. Sterling “Ted” McMillan, MBA**Educational Background:**

- Date of birth: 1938
- Master of Business Administration (Finance/Planning), Harvard University (1963)
- A.B. in Economics, Princeton University (1960)

Five Year Business Experience:

- TOWER WEALTH MANAGEMENT, LLC, Principal (2008 to Present)
- Carnegie Investment Counsel, Director and Senior Wealth Manager (January, 2012 to Present)

- Greenleaf Capital Management, Principal and Director (1980-2008)

Disciplinary Information: None

Other Business Activities: Director and Senior Wealth Manager, Carnegie Investment Counsel

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None