

## Item 1 Cover Page

# Waldman Financial Advisers, LLC

A Registered Investment Adviser Firm

IARD/CRD Number: 146763

## ADV Part 2 Disclosure Brochure

August 8, 2016

**Home Office:** 501 Church Street NE, Suite 110  
Vienna, VA 22180

**Website:** <http://www.waldmanadvisers.com/>

**Phone:** 703-281-7100

**Toll Free:** Toll Free: 1-888-281-7102

**Fax:** 703-281-7275

**E-mail:** [gail@waldmanadvisers.com](mailto:gail@waldmanadvisers.com)

This brochure provides information about the qualifications and business practices of **Waldman Financial Advisers, LLC**. If you have any questions about the contents of this brochure, please contact us at Phone: 703-281-7100 or [gail@waldmanadvisers.com](mailto:gail@waldmanadvisers.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.

“Registration does not imply a certain level of skill or training.”

Additional information about **Waldman Financial Advisers, LLC** also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

Waldman Financial Advisers, LLC’s (WFA) last Form ADV Part 2A Disclosure Brochure amendment was dated August 20, 2015. Waldman Financial Advisers, LLC’s Form ADV Part 2 Disclosure Brochure has the following changes since our last Form ADV Part 2A Disclosure Brochure amendment:

- WFA is now eligible to be a state registered investment adviser and is no longer eligible to be registered with the Securities and Exchange Commission as an investment adviser. WFA is now in the process of completing its registration as an investment adviser in the states of Virginia, Maryland, Pennsylvania and other states as required by law. Our transition to being a state registered investment adviser does not impact how we provide investment advice to our clients. For further information on this material change please review Item 4 on page 3 and Item 19 on page 12.
- WFA’s controlling owner(s) Gail Waldman and Mark Waldman are no longer members of Continuity Partners Group, LLC (CPG). Information on the Continuity Partners Group, LLC Program has been removed from Item 10, on page 6 and WFA’s Privacy Policy Notice on page 17.
- WFA updated the Investment Management Program Fee Schedule and fee billing procedures. For further information on this material change please review Item 5 on page 4.
- WFA has amended an Item 19 Requirement for State-Registered Investment Advisers to comply with state regulatory requirements. Information on WFA’s Principals and Executive Officers starts on page 12.

### **Item 3 Table of Contents**

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

#### **Item 4 Advisory Business**

Waldman Financial Advisers, LLC (WFA) is a limited liability corporation organized in the state of Virginia. Mark Waldman and Gail Waldman are the principal owners and managing members of WFA. Waldman Financial Advisers LLC has been in business since April 2008.

WFA is now eligible to be a state registered investment adviser and is no longer eligible to be registered with the Securities and Exchange Commission as an investment adviser. WFA is now in the process of completing its registration as an investment adviser in the states of Virginia, Maryland, Pennsylvania and other states as required by law. Our transition to being a state registered investment adviser does not impact how we provide investment advice to our clients.

Investment Adviser Representatives (IAR) of WFA that are responsible for giving investment advice must have a FINRA Series 7 License and NASAA Series 66, NASAA Series 65 License or an investment adviser representatives licensing equivalent, such as a CFP designation.

#### **Investment Management Program**

WFA provides Investment Management Services, defined as giving continuous advice to clients based on their individual needs through WFA's Investment Management Services accounts. WFA obtains financial information on the WFA Client Investment Profile Questionnaire and other new account documents from prospective clients to determine the suitability of establishing Investment Management Services accounts and to determine the appropriate investment management strategies that are specific for each client account that is established with WFA. Clients may impose restrictions on the type of investments that may be included in their Investment Management Program accounts.

WFA has a Broker-Dealer arrangement with Cambridge Investment Research, Inc. ("*Cambridge*") and a Custodian arrangement with National Financial Services, LLC ("NFS"), a SEC registered broker/dealer, member FINRA and SIPC. All variable annuities managed within Investment Management Program accounts are held at the corresponding insurance company's custodian of record and will have their variable annuity sub-account transactions processed through the Custodians of record for the variable annuities.

WFA uses discretionary trading authority to buy, sell and direct investments within the client accounts, including reinvestment of proceeds from assets sold and income attributable to client accounts, in cash, cash equivalents, bonds, shares of common or preferred stock, unit investment trusts, ETF's, mutual funds, options, variable annuity sub-accounts, or other alternative securities selected by WFA for client accounts.

WFA will not exercise proxy-voting authority over the securities held in client accounts where WFA provides investment management services. The obligation to vote client proxies shall at all times rest with the clients. However, clients may contact WFA for advice or information about a particular proxy vote. WFA shall not be deemed to have proxy-voting authority solely as a result of providing such advice to a client. Should WFA inadvertently receive proxy information for a security held in account, such information shall be immediately forwarded to client.

Clients may receive quarterly performance reports from WFA describing account performance and holdings. Not all WFA Clients receive performance reports. Quarterly performance reports that are provided to clients show account performance net of WFA Management Fees.

Clients will receive a monthly account statement from the Custodian showing the account activity as well as positions held in the account at month's end. No less than on a quarterly basis, client will receive a statement from the Custodian for transactions and holdings.

WFA has approximately \$85,000,000 of assets under discretionary management as of June 1, 2016.

#### **Financial Consulting Services**

WFA IARs do not currently provide fee based financial consulting services. WFA may conduct retirement planning seminars.

### **Referrals to Other Investment Advisers**

WFA does not currently have any referred client accounts with other investment advisers.

### **Additional RWM Advisory Service Disclosures**

WFA does not participate in any wrap fee program as a portfolio manager.

## **Item 5 Fees and Compensation**

### **Investment Management Program**

Clients compensate WFA for all services furnished within Investment Management Service accounts by the payment of annualized management fees ("Management Fees").

Clients compensate WFA for all services furnished within Investment Management Service accounts by the payment of annualized management fees ("Management Fees"):

### **Management Fee Schedule**

- The total of the Management Fees will not exceed 2%.
- The WFA Management Fees are between 2.0% to 1.25% for accounts of up to \$1,000,000.
- The WFA Management Fees on client accounts over \$1,000,000 may be discounted down to 0.8%.

All WFA Management Fees are negotiable.

Management Fees will be calculated and paid in advance at the beginning of each month. Management Fees will be based on the Period Ending Balance (PEB) of the Client's account assets under management at the end of the previous month. The PEB does not take into account securities that are not priced, nor does it count days when the account has a zero balance. Management Fees will be automatically deducted from account's core money market mutual fund. An account that is opened mid-period will be charged an initial Management Fee that includes a portion of the fee that is pro-rated for the number of days that the account is open in the first month. Management Fees will be noted on Client's monthly Custodian statement. Client provide WFA with written authorization to deduct all Management Fees and trade execution charges from client's account at the Broker-Dealer and Custodian.

Each time a Management Fee is directly deducted from a client account, WFA will concurrently (1) send or cause to send the custodian an invoice or statement of the amount of the fee to be deducted from the client's account; and (2) send the client an invoice or statement itemizing the fee. Itemization includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee. The invoice will notify the client that the custodian will not be checking the accuracy of the fees and this responsibility is the client's. The custodian sends statements, on at least a quarterly basis to clients showing all disbursements for the account, including the amount of the Management Fee.

Client may have Management Fees paid from other accounts or custodians, or be billed directly by invoice, in such cases Management Fee deductions will be noted as zero on the client's monthly Custodian statements.

WFA will at all times use the Management Fee billing procedures noted above.

Clients may incur certain charges imposed by third parties other than WFA in connection with investments placed in the account, including but not limited to:

- IRA and Qualified Retirement Plan Fees, and other custodial fees; and
- Mutual fund and variable annuity internal expenses, commissions, sales loads, 12(b)-1 fees, trail fees and surrender charges.
- The purchase of mutual fund shares in client's account can result in certain processing and mailing charges that are not incurred when shares are purchased directly from the mutual fund company.

Broker-Dealer and Custodian fees, expenses, and commission charges are separate and distinct from the fee charged by WFA.

Investment Management Services accounts may be terminated by WFA or client effective upon receipt of written notice to the other party. Upon termination, client shall receive a refund of any Management Fee not already earned by the WFA. WFA will advise the Broker-Dealer and Custodian to deliver securities and funds held at the Custodian as instructed by client unless client requests that the securities and funds be liquidated. If an account is liquidated, proceeds will be payable to client upon settlement of all transactions in the account. Termination of an Investment Management Services account will not affect the liabilities or obligations of the parties arising out of transactions initiated prior to termination. When this ADV 2A Disclosure Brochure is not provided to a client at least 48 hours prior to signing an agreement with WFA, the client will have five business days to cancel the agreement without penalty.

### **Financial Consulting Services**

WFA IARs do not currently provide fee based financial consulting services. If a WFA IAR conducts a retirement planning seminar no fee be charged to any attendee.

### **Referrals to Other Investment Advisers**

WFA does not currently have any referred client accounts with other investment advisers.

### **Broker-Dealer and Insurance Compensation**

WFA's IAR's are also licensed as broker-dealer registered representatives with Cambridge Investment Research, Inc. and insurance agents. In those capacities they may sell securities for sales commissions as registered representative and sell insurance products for sales commissions as independent insurance agents. IARs may receive a portion of these commissions and 12b-1 trail fees in their separate capacity as registered representatives or insurance agents. Clients should be aware that the payment and receipt of these commissions and fees could represent an incentive to recommend mutual funds or variable annuities that pay 12b-1 trail fees or pay higher 12b-1 trail fees over funds with no 12b-1 fees or lower fees, thus creating potential conflicts of interest to recommend investment and insurance products based on compensation rather than client needs. These securities and insurance products will not be placed in WFA investment advisory accounts if WFA IARs receive a portion of these commissions and 12b-1 trail fees in their separate capacity as registered representatives or insurance agents. Clients always have the option to purchase securities or other investment products that IAR recommends through other unaffiliated brokers-dealers.

WFA IARs receive less than 5% of their income from these other Broker-Dealer and Insurance activities.

WFA addresses these Compensation conflicts through the following **Compliance Oversight Policies**:

- **Conflicts of Interest** -WFA must disclose any potential or actual conflicts of interest when dealing with clients.
- **WFA Obligations** -WFA and its IARs are subject to the following specific obligations when dealing with clients:
  - The duty to have a reasonable, independent basis for its investment advice;
  - The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs, and circumstances; and,
  - A duty to be loyal to clients.

Gail Waldman, the Chief Compliance Officer (CCO) of WFA is responsible for supervising WFA advisory accounts, and other advisory activities. The main reports and documents the CCO reviews to supervise/review these activities are Client Investment Profile Questionnaire, new account documents, trade tickets, confirmations, brokerage statements, performance reports, daily activity reports and planning documents. The CCO may delegate certain Broker-Dealer and advisory compliance responsibilities to a designee that will report to her.

Clients always have the option of purchasing recommended investment and insurance products through other broker-dealers and insurance agents that are not affiliated with WFA or Cambridge.

### **General WFA Fee Disclosure**

Fees paid by clients in the various advisory programs and services of WFA may be more than the cost of purchasing the same services separately or similar services elsewhere.

## **Item 6 Performance-Based Fees and Side-By-Side Management**

WFA does not conduct any Performance-Based Fees advisory business.

## **Item 7      Types of Clients**

WFA generally provides investment advice to the following:

- Individuals
- Profit sharing plans and participants
- Pensions and other retirement plans
- Corporations or other business entities
- Trust, estates, or other charitable organizations

Account Minimums - WFA's recommended minimum investment amount for establishing and maintaining an Investment Management Program account with WFA is \$100,000. Exceptions may be granted to this minimum at the discretion of WFA.

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

### **Methods of Analysis**

WFA will obtain financial information from prospective clients on a Client Investment Profile Questionnaire and other new account documents to determine the suitability of WFA's Investment Management Program and to determine the appropriate investment objectives that are specific for each client account that is established with WFA. WFA has no investment committee. Each Adviser gives investment advice to his or her clients based on what is suitable for each client. Reviews are conducted for all accounts on a quarterly basis. Each investment adviser reviews his or her client accounts. They are instructed to review investment performance, suitability, appropriate asset allocation, and to monitor the account for any changes or updates that are needed (among other things). Clients establishing and maintaining Investment Management Program accounts may receive quarterly performance reports from WFA showing the investment performance of their accounts. Investing in securities involves risk that clients should be prepared to bear.

### **Investment Strategies**

Mark Waldman, IAR uses a flexible Core/Satellite approach to money management. After setting an asset allocation that reflects the client's individual goals and risk tolerance, Mark divides the stock between the core and satellite components. The Core component is composed of domestic and international index funds. The other component is divided into different Satellite strategies, such as sector stocks, undervalued stocks, dividend stocks, and high performance stocks. As a general rule, Mark manages the Satellite component tactically and the Core component passively.

Dennis Buki, IAR creates client portfolios using primarily mutual funds. Portfolios vary depending on the client's age, employment or retirement status, investment time horizon, investment goals, risk tolerance and other pertinent individual factors. Equity portfolios consist of "core" (more conservative) and smaller "supporting" (more aggressive) mutual fund positions, representing the desired allocation percentages. More conservative accounts and accounts in need of income also invest part of their assets in balanced funds, bond funds, bonds and zero coupon bonds.

WFA IARs will use both long term (over a year) purchases and short term (under a year) purchases in their investment strategies. The primary investment research tool used by WFA IARs is the internet, financial newspapers and magazines, research material prepared by others, corporate rating services, annual corporate reports, prospectuses, and company press releases.

### **Risk of Loss**

There are risks inherent in all financial decisions and transactions. WFA and WFA IARs cannot guarantee the current or future performance of client accounts, or the success of any investment decision or strategy that WFA and WFA IARs may use with client accounts.

Investing in securities involves risk of loss that clients should be prepared to bear.

## **Item 9      Disciplinary Information**

WFA has no current disciplinary information to report to the public, clients or prospective clients. WFA Advisers have no current disciplinary information to report to the public, clients or prospective clients.

## **Item 10 Other Financial Industry Activities and Affiliations**

### **Broker-Dealer and other Financial Industry Activities and Affiliations**

WFA is not registered as a broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor and will not become registered in any of these capacities. WFA's IARs are not associates of a futures commission merchant, commodity pool operator or commodity trading advisor. WFA's IARs will not become registered or associated in any of these capacities.

However, WFA IAR's are licensed as registered representatives of Cambridge Investment Research, Inc. (Cambridge) a registered broker-dealer with the Securities & Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA), and a member of the Securities Investor Protection Corporation (SIPC). WFA IARs encourages clients to use not only their investment advisory services, but their broker-dealer services as well. Cambridge offers a full range of investment products and services. Cambridge broker-dealer commissions are comparable to other full services brokers.

WFA IARs sell investments in mutual funds and variable annuity products which pay commissions and 12b-1 trail fees. IARs may receive a portion of this compensation in their separate capacity as registered representatives. Clients should be aware that the payment and receipt of these commissions and fees could represent an incentive for the IARs to recommend mutual funds or variable annuities that pay 12b-1 trail fees or pay higher 12b-1 trail fees over funds with no 12b-1 fees or lower fees, thus creating a potential conflict of interest. WFA IARs only receive commissions and 12b-1 trail fees for the sale of securities when selling through Cambridge in their separate capacities as registered representatives. These securities will not be placed in WFA investment advisory accounts if WFA IARs receive a portion of these commissions and 12b-1 trail fees in their separate capacity as registered representatives. Clients always have the option to purchase securities or other investment products that IAR recommends through other unaffiliated brokers-dealers.

Commissions may be higher or lower at Cambridge than at other broker/dealers. Cambridge registered representatives associated with WFA may have a conflict of interest in having clients purchase securities and/or insurance related products through Cambridge in that the higher their production with Cambridge the greater potential for obtaining a higher pay-out on commissions earned. Further, registered representatives are restricted to only offering those products and services that have been reviewed and approved for offering to the public by Cambridge and for which Cambridge and its clearing firm, National Financial Services have obtained a selling agreement.

### **Insurance Activities and Affiliations**

IARs are also licensed as an insurance agent, and can provide insurance products and services to clients. As insurance agents they will earn insurance commissions and fees while selling and servicing insurance products and services. IARs will only offer insurance products and services in states where they are properly licensed as registered insurance producers.

### **Attorney at Law**

Dennis Buki is also independently licensed as an attorney. When providing legal services he may earn legal fees and compensation. His legal services are separate and independent from the advisory services he provides under WFA.

IARs spend approximately 5% of their business time on these other activities.

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

WFA addresses these conflicts through the following **Compliance Oversight Policies**:

- **Conflicts of Interest** - WFA must disclose any potential or actual conflicts of interest when dealing with clients.
- **WFA Obligations** - WFA and its IARs are subject to the following specific obligations when dealing with clients:
  - The duty to have a reasonable, independent basis for its investment advice;
  - The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs, and circumstances; and,
  - A duty to be loyal to clients.

Gail Waldman, Chief Compliance Officer (CCO) of WFA is responsible for supervising WFA advisory accounts, planning activities. The main reports and documents the CCO reviews to supervise/review these activities are Client Investment Profile Questionnaire, new account documents, trade tickets, confirmations, brokerage statements, performance reports, daily activity reports and planning documents. The CCO may delegate certain Broker-Dealer and advisory compliance responsibilities to a designee that will report to her.

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

### **Code of Ethics**

WFA has established a Code of Ethics to comply with the requirements of Section 204A-1 of the Investment Advisers Act of 1940 that reflects WFA's fiduciary obligations and those of its supervised persons, and requires compliance with federal securities laws. WFA's Code of Ethics covers all individuals that are classified as "supervised persons." All WFA owners and IARs are classified as supervised persons. WFA requires its supervised persons to consistently act in the WFA clients' best interest in all advisory activities. WFA imposes certain requirements on supervised persons to ensure that they meet WFA's fiduciary responsibilities to WFA clients. This standard of conduct requirement is higher than what is ordinarily required and encountered in business.

- WFA and WFA's supervised persons" may buy, sell and hold securities for their personal accounts, which WFA may also recommend to clients, or buy and sell on a discretionary basis for clients. As these situations may present a potential conflict of interest, it is the policy of WFA that no supervised person shall prefer their own interest over the interest of WFA clients.
- No supervised person employed WFA may buy or sell any security prior to a transaction being implemented for an advisory account.
- No supervised person employed by WFA may buy or sell securities for their personal accounts where their decision is derived from information obtained through their employment with WFA unless the information is also available to the investing public upon reasonable inquiry.
- WFA maintains a list of all securities holdings for all supervised persons, which is reviewed on a regular basis by a principal of WFA.

**Conflicts of Interest – WFA** must disclose any potential or actual conflicts of interest when dealing with clients.

**WFA Obligations – WFA** and its IARs are subject to the following specific obligations when dealing with clients:

- The duty to have a reasonable, independent basis for its investment advice;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs, and circumstances; and, a duty to be loyal to clients.

This Code of Ethics response is only intended to provide clients and potential clients with a summary description of WFA's Code of Ethics. If current clients or potential clients want to review WFA's entire Code of Ethics they may obtain a copy of it by calling WFA at 703-281-7100 or writing to Gail Waldman, Waldman Financial Advisers 501 Church Street NE, Suite 110 Vienna, VA 22180.

## **Item 12 Brokerage Practices**

### **WFA Brokerage and Custodian Relationships**

WFA considers a number of factors including, without limitation, best execution, the overall direct net economic impact on account assets (including commissions which may not be the lowest available, but which will not be higher than the generally prevailing competitive range) the financial stability of the Broker-Dealer and Custodian, the efficiency with which the transaction is effected, the ability to effect the transaction where complicating factors are involved, the availability of the Broker-Dealer and Custodian to stand ready to execute possible difficult transactions in the future, and other matters involved in the receipt of brokerage and research services.

WFA has a Broker-Dealer arrangement with Cambridge Investment Research, Inc. (Cambridge); and a Custodian arrangement with National Financial Services, LLC (NFS), a SEC registered broker/dealer, member FINRA and SIPC.

All variable annuities managed within Investment Management Program accounts are held at the corresponding insurance company's custodian of record.



WFA will recommend these Broker-Dealer/ Custodians to clients for custody and brokerage services. There is no direct link between WFA, these Broker-Dealer/ Custodians and the investment advice WFA gives to our clients, although WFA receives economic benefits through its participation in these Broker-Dealer/ Custodians' advisory accounts custody and brokerage services that are typically not available to retail investors. These benefits include the following products and services (provided without cost or at a discount):

- Duplicate client statements and confirmations;
- Research related products and tools; consulting services;
- Access to a trading desk serving advisor participants;
- Access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- The ability to have advisory fees deducted directly from client accounts;
- Access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to WFA by third party vendors.

Some of the products and services made available by these Broker-Dealer/ Custodians may benefit WFA but may not directly benefit client accounts. These products or services may assist WFA in managing and administering client accounts, including accounts not maintained at these Broker-Dealer/ Custodians. Other services made available by these Broker-Dealer/ Custodians are intended to help WFA manage and further develop its business enterprise. Clients should be aware, however, that the receipt of economic benefits by WFA or its IARs creates a potential conflict of interest and may indirectly influence WFA's choice or recommendation of these Broker-Dealer/ Custodians for custody and brokerage services.

**Trading** – WFA allocates trades to clients in a fair and equitable manner that will be applied consistently to all clients. Personal accounts of WFA, its IARs and family members will not be treated more favorably than any other client account. WFA will make every attempt to completely fill all block order trades. All variable annuities managed within the Investment Management Program by WFA will have their variable annuity sub-account transactions processed through the Custodian of record for the variable annuity.

**Trading Error Corrections** - It is WFA's policy to ensure clients are made whole following a trade error. Specifically, when a trade error occurs in a client account that results in a loss, WFA will reimburse the client. If the trade error was made in a client account resulting in a gain, the client will keep the gain. If the trade error was made in a block trading account and client funds were not at risk and the trade results in a gain, WFA will keep the gain unless the custodian keeps the gain.

**Reports and Statements** - Clients may receive periodic performance reports from FIRM describing account performance and holdings. Clients will receive a monthly account statement from the Custodian/Broker-Dealer showing the account activity as well as positions held in the account at month's end, when there is activity in the account. No less than on a quarterly basis, client will receive a statement from the Custodian/Broker-Dealer for transactions and holdings.

#### **Additional Information on WFA's Relationship with Cambridge**

WFA's IARs are Representatives of Cambridge. Clients are not obligated to purchase or sell securities through the IARs in their capacity as Representatives of Cambridge. However, if clients choose to implement the advice provided by WFA through its IARs in their separate capacities as Representatives, Cambridge will be used and commissions may be earned in addition to any fees paid for advisory services.

Commissions may be higher or lower at Cambridge than at other broker/dealers. Cambridge Representatives associated with WFA may have a conflict of interest in having clients purchase securities and/or insurance related products through Cambridge in that the higher their production with Cambridge the greater potential for obtaining a higher pay-out on commissions earned. Further, Representatives are restricted to only offering those products and services that have been reviewed and approved for offering to the public by Cambridge and for which Cambridge and its clearing firms have obtained a selling agreement.

If clients wish to have WFA's IARs implement the advice in their capacity as Representatives or select to open a fee-based, investment advisory, account through Cambridge, Cambridge, will be used. IARs are Representatives of Cambridge and are required to use the services of Cambridge and Cambridge's approved clearing broker-dealers when acting in their capacity as Representatives. Cambridge serves as the introducing broker-dealer. All accounts

established through Cambridge will be cleared and held at National Financial Services, LLC. Cambridge has a wide range of approved securities products for which Cambridge performs due diligence prior to selection. Cambridge's Representatives are required to adhere to these products when implementing securities transactions through Cambridge. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. Cambridge also provides the IARs, and therefore the WFA, with back-office operational, technology, and other administrative support. Other services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. Such services are intended to help WFA manage and further develop its business enterprise.

Cambridge and its clearing broker/dealer, National Financial Services also make available to WFA other products and services that benefit WFA but may not directly benefit its clients' accounts. Some of these other products and services assist WFA in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of WFA's fees from its clients' accounts; and assist with back-office functions; recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of WFA's accounts, including accounts not held through Cambridge.

While WFA has an arrangement with Cambridge, and the clearing broker/dealer, National Financial Services that have contracted with Cambridge, at least annually, WFA will review alternative broker/dealers and custodians in the marketplace to ensure Cambridge and its custodians are meeting WFA's duty to provide best execution for client accounts. The review will include a comparison to Cambridge and the currently used custodians which involve evaluating criteria such as overall expertise, cost competitiveness and financial condition. The quality of execution by Cambridge and custodians will be reviewed through trade journal evaluations. However, best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian.

IARs, in their separate capacities as Representatives of Cambridge, may receive commissions from the execution of securities transactions. As Representatives, these IARs may also receive 12b-1 fees from certain mutual fund companies as outlined in the fund's prospectus. 12b-1 fees come from fund assets, therefore, indirectly from client assets. The receipt of such fees could represent an incentive for the IARs to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there is a conflict of interest in Representative's recommendation of those mutual funds.

### **General Brokerage Disclosures**

WFA does not permit clients to direct WFA to use other broker-dealers than the broker-dealers selected and used by WFA for Investment Management Program accounts.

## **Item 13      Review of Accounts**

### **Investment Management Program**

**Review** -WFA will obtain financial information from prospective clients to determine the suitability of WFA's Investment Management Program and to determine the appropriate investment objectives that are specific for each client account that is established with WFA. WFA has no investment committee. Each IAR gives investment advice to his or her clients based on what is suitable for each client. Clients may impose restrictions on investing in certain securities or types of securities. Reviews are conducted for all accounts on a quarterly basis. Each investment adviser reviews his or her client accounts. They are instructed to review investment performance, suitability, appropriate asset allocation, and to monitor the account for any changes or updates that are needed (among other things). Gail Waldman, the Chief Compliance Officer of WFA completes a suitability review of the accounts and business of WFA's other IARs on a quarterly basis. Mark Waldman, a managing member of WFA reviews the accounts and business of Gail Waldman.

**Reports** - Clients may receive quarterly performance reports from WFA describing account performance and holdings. Clients will receive a monthly account statement from the Custodian showing the account activity as well as positions held in the account at month's end. No less than on a quarterly basis, client will receive a statement from the Custodian for transactions and holdings.

## **Item 14 Client Referrals and Other Compensation**

### **Referrals To Or From Other Investment Advisers**

WFA does not currently have any referred client accounts with other investment advisers. In addition, neither WFA nor WFA IARs directly or indirectly compensate any persons or entities for client referrals.

### **Broker-Dealer and Insurance Compensation**

WFA's IARs sell securities for sales commissions as registered representative of Cambridge Investment Research, Inc. (Cambridge) and sell insurance products for sales commissions as independent insurance agents. These securities and insurance products will not be placed in WFA investment advisory accounts.

## **Item 15 Custody**

WFA does not have custody of client assets other than to directly deduct fees from client accounts. The Broker-Dealer/Custodian of client assets sends account statements directly to clients. Clients receive account statements from the Broker-Dealer/Custodian. Clients should carefully review those statements.

## **Item 16 Investment Discretion**

Clients provide written authorization to WFA and WFA IARs to use limited discretionary trading authority to buy, sell and direct investments within their accounts, including reinvestment of proceeds from assets sold and income attributable to their account, in cash, cash equivalents, bonds, shares of common or preferred stock, unit investment trusts, ETF's, mutual funds, options, variable annuity sub-accounts, or other alternative securities selected by WFA and WFA IARs for their accounts. Clients appoint WFA and WFA as their agent and attorney-in-fact with respect to this limited discretionary trading authorization. Clients may impose restrictions on investing in certain securities or types of securities. This limited discretionary trading authorization shall remain in full force and effect and be relied upon by WFA and WFA IARs until a written notice of termination or change is received by WFA from a client. Under no circumstance will WFA and WFA IARs effect transactions for clients which WFA believes will violate state or federal law, rules or regulations, or any regulatory or self-regulating body rules or regulations. Clients may also place limits on the purchase of certain securities in their accounts.

## **Item 17 Voting Client Securities**

WFA will not exercise proxy-voting authority over the securities held in client accounts where WFA provides investment management services. The obligation to vote client proxies shall at all times rest with the clients. However, clients may contact WFA for advice or information about a particular proxy vote. WFA shall not be deemed to have proxy-voting authority solely as a result of providing such advice to a client. Should WFA inadvertently receive proxy information for a security held in account, such information shall be immediately forwarded to client.

## **Item 18 Financial Information**

WFA has no financial information to report, since WFA does not maintain custody of client accounts or assets other than direct fee deduction, and has no financial situations which may impair its ability to conduct business.

## Item 19 Requirement for State-Registered Investment Advisers

### Principal Executive Officer – Managing Director

**Dr. Mark S. Waldman, CFP®**  
**Investment Adviser Representative**

**CRD Number: 1176523**

### Item 19 A. Educational Background and Business Experience

#### Education:

- University of Florida, Gainesville FL, Mark has a BA in Economics, MA in Economics, and PhD in Economics, attended from 9/64 to 6/68 and from 9/69 to 12/74.

#### Business Background over the last five (5) years

- Waldman Financial Advisers, Vienna, VA, Investment Adviser, IAR (5-08 to present)
- Cambridge Investment Research, Inc., Vienna, VA, Broker-Dealer, Registered Principal, (2-08 to present)
- Cambridge Investment Research Advisors, Inc., Vienna, VA, Investment Adviser, IAR, (2-08 to 5-08)
- The American University, Washington DC, Adjunct Professor of Finance, (8-83 to 6-15)
- Continuity Partners Group, LLC, Vienna, VA, Broker-Dealer/Investment Adviser, Member (6-10 to 12-15)
- Securities America, Inc., Vienna, VA, Broker-Dealer, Registered Principal, (2-91 to 1-08)
- Securities America Advisors, Inc., Vienna, VA, Investment Adviser, IAR, (7-98 to 1-08)

#### Designations

- **Certified Financial Planner - (CFP®)** is a professional designation for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board). A CFP® candidate must meet several requirements:
  - Have a bachelor's degree or higher from an accredited U.S. college or university and master a list of nearly 100 topics on integrated financial planning.
  - Complete a 10-hour multiple choice exam that is designed to assess the student's ability to apply his or her knowledge to the various areas to financial planning.
  - Have three years of work experience in the financial planning field or related professions.
  - Once the CFP® designation has been earned each Certificant is required to adhere to the CFP Board Code of Ethics and Professional Responsibility and to the Financial Planning Practice Standards. The CFP Board has the right to enforce them through its Disciplinary Rules and Procedures. To maintain certification, each Certificant is also required to complete ongoing continuing education requirements and pay an ongoing licensing fee.

### Item 19 B Other Business Activities

- **Broker-Dealer**  
IAR is also a registered representative of Cambridge Investment Research, Inc. (Cambridge) a registered broker-dealer (BD). In this capacity, IAR will be paid commissions for the sale of securities or other investment products, including service (trail) fees from the sale of mutual funds and variable annuities. If you elect to purchase securities through IAR in his role as a registered representative, this will not occur in advisory accounts of WFA but rather in brokerage accounts held at the BD. This presents a conflict of interest as it gives IAR an incentive to recommend investment products based on the compensation received, rather than on your needs. To address this conflict, IAR will only receive commissions for the sale of securities or other investment products when selling securities through the BD. You always have the option to purchase securities or other investment products that IAR recommends through other unaffiliated brokers-dealers. IAR currently spends less than 5% of his business time on these BD activities.
- **Insurance**  
IAR is licensed as an insurance agent. In this capacity IAR will be paid commission for the sales of fixed insurance products. This presents a conflict of interest as it gives IAR an incentive to recommend insurance products based on the compensation received, rather than on your needs. You always have the option to purchase insurance products that IAR recommends through other unaffiliated insurance agencies or companies. IAR currently spends less than 5% of his business time on his insurance activities.

## **General Client Conflict Resolution**

IAR addresses conflicts with his/her other business activities by doing the following:

IAR must disclose any potential or actual conflicts of interest when dealing with clients.

IAR is subject to the following specific obligations when dealing with clients:

- The duty to have a reasonable, independent basis for his/her investment and other financial advice;
- The duty to ensure that all investment and financial advice is suitable to meeting the client's individual objectives, needs, and circumstances; and,
- A duty to be loyal to clients.

## **Item 19 C. Performance-Based Fees**

IAR does not conduct any performance based fee advisory business or activities.

## **Item 19 D. Disciplinary Information**

- IAR has no material disciplinary information history to disclose.

## **Item 19 E. Relationships with Issuers of Securities**

IAR has no relationships or arrangements with any issuer of securities.

## **Supervision**

Gail Waldman is the Chief Compliance Officer of WFA and is Mark Waldman's supervisor. Gail Waldman completes a suitability review of the accounts and business of Mark Waldman and other WFA IARs on a quarterly basis. She also verifies that WFA and WFA IARs are in compliance with the WFA Compliance Manual, which is structured to comply with the SEC and various states' investment adviser rules and regulations. Gail Waldman may be contacted by phone at 703-281-7100, by e-mail at [gail@waldmanadvisers.com](mailto:gail@waldmanadvisers.com), or by writing to her at Waldman Financial Advisers 501 Church Street NE, Suite 110 Vienna, VA 22180.

## Item 19 Requirement for State-Registered Investment Advisers

### Principal Executive Officer – Chief Compliance Officer

**Gail L. Waldman, CFP®, AEP®**  
**Investment Adviser Representative**  
**Chief Compliance Officer**  
**CRD Number: 4258085**

### Item 19 A. Educational Background and Business Experience

#### Business Background over the last five (5) years:

- Waldman Financial Advisers, Vienna, VA, Investment Adviser, Managing Principal, Chief Compliance Officer, IAR (5-08 to present);
- Cambridge Investment Research, Inc., Vienna, VA, Broker-Dealer, Registered Principal, (2-08 to present)
- Cambridge Investment Research Advisors, Inc., Vienna, VA, Investment Adviser, IAR, (2-08 to 5-08)
- Continuity Partners Group, LLC, Vienna, VA, Broker-Dealer/Investment Adviser, Member (6-10 to 12-15)
- JDR Courts, Vienna, VA, Mediator for a variety of family law issues and other dispute resolution issues, (3-11 to present)
- Securities America, Inc., Vienna, VA, Broker-Dealer, Registered Principal, (2-01 to 1-08)
- Securities America Advisors, Inc., Vienna, VA, Investment Adviser, IAR, (8-02 to 1-08)

#### Designations

- **Certified Financial Planner - (CFP®)** is a professional designation for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board). A CFP® candidate must meet several requirements:
  - Have a bachelor's degree or higher from an accredited U.S. college or university and master a list of nearly 100 topics on integrated financial planning.
  - Complete a 10-hour multiple choice exam that is designed to assess the student's ability to apply his or her knowledge to the various areas to financial planning.
  - Have three years of work experience in the financial planning field or related professions.
  - Once the CFP® designation has been earned each Certificant is required to adhere to the CFP Board Code of Ethics and Professional Responsibility and to the Financial Planning Practice Standards. The CFP Board has the right to enforce them through its Disciplinary Rules and Procedures. To maintain certification, each Certificant is also required to complete ongoing continuing education requirements and pay an ongoing licensing fee.
- **Accredited Estate Planner® - (AEP®)** designation is available to attorneys, Chartered Life Underwriters, Certified Public Accountants, Certified Trust and Financial Advisors, Chartered Financial Consultants, and Certified Financial Planners®. The AEP® designation is awarded by the National Association of Estate Planners & Councils (NAEPC) to recognized estate planning professionals who meet special requirements of education, experience, knowledge, professional reputation, and character. The following are the AEP® designation requirements as established by the NAEPC:
  - The applicant must provide documentation of being licensed to practice law as an Attorney (JD) or to practice as a Certified Public Accountant (CPA), or of being currently designated as a Chartered Life Underwriter® (CLU®), Chartered Financial Consultant® (ChFC®), Certified Financial Planner (CFP®), or Certified Trust & Financial Advisor (CTFA), in any jurisdiction of the United States of America.
  - The applicant must be presently and significantly engaged in "estate planning activities" as an attorney, an accountant, an insurance professional and financial planner, or a trust officer.
  - A minimum of five (5) years of experience engaged in estate planning and estate planning activities is required in one or more of the professional disciplines described above. To be exempt from the education requirements described below, an applicant must have a minimum of fifteen (15) years of experience engaged in estate planning and estate planning activities in one or more of the professional disciplines described above.
  - Applicants must successfully complete two graduate level courses through a college, university or schools of law that meets the educational requirements set by the NAEPC.
  - To maintain the AEP® designation, each applicant is required to complete ongoing continuing education requirements and pay an ongoing licensing fee.

## Education

- Simpson College, Indianola, IA, BA in Political Science, Dates, (8/75 to 5/78)
- Florida Institute of Technology, Melbourne FL, MS in Contracts & Acquisition Management, (8/95 to 9/98)

## Item 19 B Other Business Activities

### • Broker-Dealer

IAR is also a registered representative of Cambridge Investment Research, Inc. (Cambridge) a registered broker-dealer (BD). In this capacity, IAR will be paid commissions for the sale of securities or other investment products, including service (trail) fees from the sale of mutual funds and variable annuities. If you elect to purchase securities through IAR in her role as a registered representative, this will not occur in advisory accounts of WFA but rather in brokerage accounts held at the BD. This presents a conflict of interest as it gives IAR an incentive to recommend investment products based on the compensation received, rather than on your needs. To address this conflict, IAR will only receive commissions for the sale of securities or other investment products when selling securities through the BD. You always have the option to purchase securities or other investment products that IAR recommends through other unaffiliated brokers-dealers. IAR currently spends less than 5% of his business time on these BD activities.

### • Insurance

IAR is licensed as an insurance agent. In this capacity IAR will be paid commission for the sales of fixed insurance products. This presents a conflict of interest as it gives IAR an incentive to recommend insurance products based on the compensation received, rather than on your needs. You always have the option to purchase insurance products that IAR recommends through other unaffiliated insurance agencies or companies. IAR currently spends less than 5% of her business time on her insurance activities.

## General Client Conflict Resolution

IAR addresses conflicts with his/her other business activities by doing the following:

IAR must disclose any potential or actual conflicts of interest when dealing with clients.

IAR is subject to the following specific obligations when dealing with clients:

- The duty to have a reasonable, independent basis for his/her investment and other financial advice;
- The duty to ensure that all investment and financial advice is suitable to meeting the client's individual objectives, needs, and circumstances; and,
- A duty to be loyal to clients.

## Item 19 C. Performance-Based Fees

- IAR does not conduct any performance based fee advisory business or activities.

## Item 19 D. Disciplinary Information

- IAR has no material disciplinary information history to disclose.

## Item 19 E. Relationships with Issuers of Securities

- IAR has no relationships or arrangements with any issuer of securities.

## Supervision

Mark Waldman is Gail Waldman's supervisor and reviews the accounts and business of Gail Waldman in compliance of the WFA Compliance Manual, which is structured to comply with the SEC and various states' investment adviser rules and regulations. He may be contacted by phone at 703-281-7100, by e-mail at [mark@waldmanadvisers.com](mailto:mark@waldmanadvisers.com) or by writing to him at Waldman Financial Advisers, 501 Church Street NE, Suite 110 Vienna, VA 22180.

## PRIVACY POLICY NOTICE

March 23, 2016

Waldman Financial Advisers, LLC  
501 Church Street NE, Suite 110  
Vienna, VA 22180

### ***Our Promise to You***

As a client of WFA, you share both personal and financial information with us. Your privacy is important to us, and we are dedicated to safeguarding your personal and financial information.

### ***Information Provided by Clients***

In the normal course of doing business, we typically obtain the following non-public personal information about our clients:

- Personal information regarding our clients' identity such as name, address and social security number;
- Information regarding securities transactions effected by us; and
- Client financial information such as net-worth, assets, income, bank account information and account balances.

### ***How We Manage and Protect Your Personal Information***

- A. Require new Associates to review and acknowledge the firm's compliance policy manual, which includes this privacy policy, and all Associates to review and acknowledge the compliance policy manual annually.
- B. Prohibit an Associate from providing client information over the telephone or in response to an e-mail message unless the Associate has identified the other person as the client, a fiduciary representative of the client, an authorized agent of the client or a party that needs the information to complete a transaction for the client (such as broker-dealers, custodians or administrative service providers).
- C. Maintain appropriate security measures for our computer and information systems, including the use of encryption, usernames/passwords and firewalls.
- D. Use locks and other appropriate physical security measures to safeguard client information stored in paper format. For example, Associates are expected to secure client information within locked cabinets when the office is closed.
- E. Dispose of client information stored in electronic or paper form in such a manner (e.g., through the use of a shredder or shredder service) to reasonably ensure such information is protected from unauthorized access.
- F. Engage a third party service provider only after we have entered into a contractual agreement that prohibits the service provider from disclosing or using confidential personal information except as necessary to carry out its assigned responsibilities and only for that purpose.
- G. Have implemented the use of procedures and systems that will keep all confidential WFA and client information protected from unauthorized viewing and access by persons or entities that are not affiliated with or associated with WFA.
- H. Comply with the Cambridge Regulation S-P Written Supervisory Procedures while we have Associates that are affiliate with Cambridge as registered representatives.

We will not disclose nonpublic personal information about a client to a non-affiliated third party other than as described in this policy stated above or as permitted by Regulation S-P unless:

- We have provided the client with a revised notice describing the new policy;
- **We** have provided the client with an "opt out" notice; and
- We have provided the client a reasonable opportunity to opt out of the disclosure before WFA discloses the information to the non-affiliated third party.

WFA is not required to send privacy notices or provide opt-out elections to clients unless we intend to share the client's nonpublic personal information with a non-affiliated third party.

### ***Client Notifications***

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy.

Please do not hesitate to contact us with questions about this notice at 703-281-7100 or [gail@waldmanadvisers.com](mailto:gail@waldmanadvisers.com).