

Name of Investment Adviser:

PRINCIPLE WEALTH MANAGEMENT

Address: (Number and Street) (City) (State) (Zip Code)

1024 Iron Point Road, Folsom, CA 95630-8013

Area Code: Telephone Number

(916) 357-6776

This part of Form ADV gives information about the investment adviser and its business for the use of clients.

The information has not been approved or verified by any government authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant:

PRINCIPLE WEALTH MANAGEMENT

SEC File Number:

801-69530

Date:

1/20/2009

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.

(See instruction below.)

Applicant:

- ☒ (1) Provides investment supervisory services..... 97 %
- ☐ (2) Manages investment advisory accounts not involving investment supervisory services..... %
- ☒ (3) Furnishes investment advice through consultations not included in either service described above..... 2 %
- ☐ (4) Issues periodicals about securities by subscription..... %
- ☐ (5) Issues special reports about securities not included in any service described above..... %
- ☐ (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... %
- ☒ (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... 1 %
- ☐ (8) Provides a timing service..... %
- ☐ (9) Furnishes advice about securities in any manner not described above %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does the applicant call any of the services it checked above financial planning or some similar term? ☒ Yes ☐ No

C. Applicant offers investment advisory services for: (check all that apply)

- ☒ (1) A percentage of assets under management ☐ (4) Subscription fees
- ☒ (2) Hourly charges ☐ (5) Commissions
- ☒ (3) Fixed fees (not including subscription fees) ☐ (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- ☒ A. Individuals ☒ E. Trusts, estates, or charitable organizations
- ☐ B. Banks or thrift institutions ☒ F. Corporations or business entities other than those listed above
- ☐ C. Investment companies
- ☒ D. Pension and profit sharing plans ☐ G. Other (describe on Schedule F)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issues | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (1) real estate |
| G. Investment company securities | <input checked="" type="checkbox"/> (2) oil and gas interests |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | <input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|---|
| (1) <input type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the
Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered
options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes ☒ No ☐

(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes ☐ No ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services Yes No
and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F for details

B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F for details

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|-------------------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| (3) broker or dealer to be used? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| | Yes | No |
| (4) commission rates paid? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions.

If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-------------------------------------|--------------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| | Yes | No |
| B. directly or indirectly compensates any person for client referrals? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

	Yes	No
Has applicant provided a Schedule G balance sheet?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Schedule F of
FORM ADV****Continuation Sheet for Form ADV Part II**

Applicant:

PRINCIPLE WEALTH

SEC File Number:

801- 69530

Date:

1/20/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

PRINCIPLE WEALTH MANAGEMENT

IRS Empl. Ident. No.:

26-3011938

Item of Form

Answer

Schedule F, in its entirety, is a written response to items requiring a response under Part II of the ADV.

Item 1. A. (1)**SERVICES PROVIDED:**

Principle Wealth Management (PWM) provides investment supervisory services to clients for assets held through various custodians that the Advisor deems will act in the best interest of the client. PWM will establish brokerage accounts with these custodians and advise on the purchase of securities, which will be no-load mutual funds, load funds purchased at NAV, exchange-traded funds, stocks, money markets funds, U.S. Treasury Securities, U.S. Government Bonds, U.S. Agency Bonds, Certificates of Deposit, and fixed income mutual funds.

Recommendations will be based on the client's goals, objectives, risk tolerance level, and other pertinent information. Client portfolios usually consist of more than one account due to various account registrations. We offer to review these portfolios quarterly with each client and also provide written quarterly reports of the status of their portfolio.

PWM reviews the client's portfolio on a continuous and ongoing basis to monitor the allocation, market fluctuations, economic impacts, and other criteria particular to the client's individual circumstance. When appropriate, adjustments are made to the portfolio with the client's prior approval. In addition, client portfolios are rebalanced as needed, based on the client's pre approved asset allocation for risk tolerance.

CLIENT RESPONSIBILITIES:

A detailed client data sheet will be completed for each client based on information provided by the client. It will be the client's responsibility to provide PWM with pertinent information regarding their financial position, goals, objectives, and risk tolerance. The client will also provide copies of investments, tax returns, estate planning documents, and any other documents that may be reasonably needed in order to permit a complete evaluation and prepare recommendations. The client is also requested to advise PWM of any future material changes in their financial position so as to modify recommendations as needed.

FEE SCHEDULE:

The fee schedules for investment supervisory services consist of two categories of portfolio, which are as follows:

Predominately equity portfolios (50% or more in stocks and equity mutual funds).

Predominately fixed income portfolios (Greater than 50% in money market funds, U.S. Treasury Securities, U.S. Government Bonds, Certificates of Deposit, and fixed income mutual funds).

Fee schedules are as follows:

Equity portfolios:

First	\$0	to	\$250,000	0.3750%	1.50%
Next	\$250,000	to	\$500,000	0.2500%	1.00%
Next	\$500,000	to	\$1,000,000	0.1875%	0.75%
Next	\$1,000,000	to	\$3,000,000	0.1250%	0.50%
Over	\$3,000,000			Negotiable	

**Schedule F of
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

PRINCIPLE WEALTH MANAGEMENT

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Item of Form

Answer

On occasion, fees may be negotiable for accounts under \$3,000,000

Fixed Income portfolios:

First	\$0	to	\$200,000	0.2500%	1.00%
Next	\$200,000	to	\$500,000	0.1500%	0.60%
Next	\$500,000	to	\$1,000,000	0.1000%	0.40%
Next	\$1,000,000	to	\$3,000,000	0.0750%	0.30%
Over	\$3,000,000			Negotiable	

On occasion, fees may be negotiable for accounts under \$3,000,000

The specific fees for each client are set forth in the Investment Advisory Agreement.

An initial portfolio administrative fee of \$250 will be charged per client portfolio. In certain circumstances, when the initial establishment of the portfolio exceeds the normal time and effort, PWM may charge additional administrative hourly fees that will be \$75 per hour. Any additional charge will be disclosed prior to portfolio establishment.

All fees paid to PWM for advisory services are separate from the fees and expenses charged to shareholders of mutual funds shares by the mutual funds, and shares of exchange traded funds by the issuing companies. A complete explanation of the fees charged by mutual funds and exchange-traded funds are available in their respective prospectuses. Prospectuses will be provided to the client by PWM or the selected custodian and should be carefully and thoroughly reviewed by the client.

HOW FEES ARE PAYABLE:

Fees for investment supervisory services are billed to the client's account in advance at the beginning of each calendar quarter and are based on the portfolio's balance on the last day of the preceding quarter. Partial calendar quarter fees will be prorated for the remaining number of days in the quarter. Fees for deposits and withdrawals of \$10,000 or more, made during a calendar quarter, will be prorated and the refund or additional charge will be reflected on the next quarter's billing statement.

The administrative fee charged to establish the initial portfolio is due and payable upon account opening, and may be billed separately or together with advisory fees.

NORMS FOR TERMINATION OF AGREEMENT AND REFUNDS:

Each client signing an agreement will receive a copy of Form ADV Part II and shall be given five (5) business days to unconditionally rescind the agreement and receive a full refund of any and all fees collected. Once in effect, the agreement may be terminated by either party upon thirty (30) days prior written notice to the other party. Additionally, the agreement terminates unless all appropriate fees have been paid. Upon termination, any unearned quarterly fees will be prorated from the date of termination and refunded to the client.

ANNUAL OFFER TO DELIVER ADV PART II:

Annually a letter will be sent to each client offering to deliver an up to date ADV Part II, which will be sent upon the client's request.

NOTICE OF DELIVERY OF PRIVACY NOTICE:

Clients will be given a Privacy Notice Regarding Client Privacy when establishing their portfolio account. In addition, annually a Privacy Notice Regarding Client Privacy will be sent to each client.

**Schedule F of
FORM ADV****Continuation Sheet for Form ADV Part II**

Applicant:

PRINCIPLE WEALTH

SEC File Number:

801- 69530

Date:

1/20/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

PRINCIPLE WEALTH MANAGEMENT

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Item of Form

Answer

Item 1. A. (3)**SERVICES PROVIDED:**

As part of our financial planning process, we may provide clients with a written financial plan which may consist of a balance sheet, cash flow statement, tax planning, investment portfolio analysis, investment plan and policy statement, estate planning and estate tax analysis, retirement planning and projections for future sources of income, insurance analysis, educational planning and funding, business planning, income tax planning, real estate analysis and any other such planning services that the client may require.

FEE SCHEDULE:

The fee schedule for work provided is predominately based on an hourly rate predetermined with the client and the planner. In some cases these fees are negotiable and on occasion, a flat fee is quoted to the client. Flat fees are charged for such standardized work as some retirement projections, and some tax planning schedules.

Fees for written financial plans may range from \$500 to \$5,000 depending on the complexity of the plan and individual (s) providing the service. Fees for consultations are billed at the rate of \$150 to \$200 per hour based on the individual providing the service. Administrative staff is billed at \$75 per hour. Flat fees for such work as investment policy statements, financial analysis, retirement projections, and tax projections may range from \$100 to \$1,500.

HOW FEES ARE PAYABLE:

Fees are collected at the time the plan is presented. A retainer (not to exceed \$400) may be payable at the time the data is collected.

NORMS FOR TERMINATION OF AGREEMENT AND REFUNDS:

An agreement terminates upon the presentation of the plan or at the end of the consultation, for services requested by the client and agreed upon by the planner.

Each client signing an agreement will receive a copy of Form ADV Part II and shall be given five (5) business days to unconditionally rescind the agreement and receive a full refund of any and all fees collected. If a client pays any fees in advance and terminates the agreement more than five (5) business days after it has been signed, any unused fees will be refunded.

ADV PART II:

Client will receive an up to date ADV Part II when they engage in a financial consulting agreement.

PRIVACY NOTICE:

Clients will be given a Privacy Notice Regarding Client Privacy at the time they engage in a financial consulting agreement.

Item 1. A. (7)**SERVICES PROVIDED:**

Financial advice on matters not involving securities includes business planning, income tax withholding/tax estimates, real estate analysis for acquisitions and refinancing, cash flow projections for retirement including inflation factors, estate planning including wills and trusts, and methods of financing various types of loans for both business and personal uses. On other occasions we may provide advice and analysis on the acquisition of insurance products and other type of assets not related to securities.

PWM offers tax preparation services primarily for investment portfolio clients.

**Schedule F of
FORM ADV****Continuation Sheet for Form ADV Part II**

Applicant:

PRINCIPLE WEALTH

SEC File Number:

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1/20/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

PRINCIPLE WEALTH MANAGEMENT

IRS Empl. Ident. No.:

26-3011938

Item of Form

Answer

FEE SCHEDULE:

The fee schedule for work provided is predominately based on an hourly rate predetermined with the client and the planner. The hourly fee for professional services will be billed at the rate of \$150 to \$200 per hour based on the individual providing the service. Administrative staff is billed at \$75 per hour. Flat fees are usually charged for tax preparation and range from \$150 to \$1,500 per return.

HOW FEES ARE PAYABLE:

Fees are collected at the time the work is presented, or, for longer ongoing projects, fees are billed on a monthly basis.

Item 3. L.

Real Estate Investment Trusts

Item 4. A. (5)

PWM utilizes strategic asset allocation and how the correlation coefficients and standard deviation of various asset classes relate to one another in relation to the client's risk tolerance level. Various sources of information used include the Wall Street Journal, Morningstar, and various periodicals and journals.

Item 4. C. (7)

Client portfolios are individually designed to allocations and strategies that closely match the individual circumstances of the client, including income needs, retirement goals and other investment objectives, tolerance for risk, tax matters, and other pertinent financial and investment criteria.

Item 5.**EDUCATION AND BUSINESS STANDARDS:**

PWM requires certification as a Certified Financial Planner (CFP) Professional or present enrollment in the CFP program, or, a Certified Public Accountant (CPA) certification, a college degree and/or two to four years experience in the related areas of tax planning and preparation, investments, and insurance as the minimum standard for its professional staff.

Item 6.

HAROLD C. ANDERSON (1955), B.S. Finance, Brigham Young University, Provo, UT, 1981. He began his financial services career in 1978, is a Certified Financial PlannerTM Professional (CFP[®]), and a member of the Financial Planning Association (FPA). He is an Investment Advisor Representative with Principle Wealth Management, a SEC Registered Investment Advisor. Prior to founding Principle Wealth Management, he had been practicing financial planning as a Investment Advisor Representative with Pennington Financial Group, a SEC Registered Investment Advisor, since August 1993

Item 7. A.

The applicant offers financial planning services.

Item 7. B.

The applicant offers tax preparation services primarily to investment portfolio clients. Fees are determined by the complexity of the tax return and may range from \$150 to \$1,500.

Item 9. Code of Ethics**CODE OF ETHICS:**

Principle Wealth Management (PWM), as a matter of policy and practice, and consistent with industry best practices and Security and Exchange Commission (SEC) requirements, under Rule 204A-1, has adopted a Code of Ethics

**Schedule F of
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

PRINCIPLE WEALTH MANAGEMENT

IRS Empl. Ident. No.:

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Item of Form

Answer

requiring high standards of business conduct, compliance with federal securities laws, reporting and recordkeeping of personal securities transactions and holdings, reviews, and sanctions. The firm's current Code of Ethics, as amended, is incorporated by reference and made part of these policies and procedures.

PWM's Code of Ethics incorporates written supervision policies and procedures in accordance with federal and state securities laws that include standards of conduct, protecting inside information, personal securities trading of supervised persons, IPO's, and private placement by supervised persons, reporting of violations, written acknowledgment of the Code of Ethics by each supervised person, and other code requirements including gifts and outside employment, reviews and enforcement, recordkeeping, and ADV disclosure.

PWM's complete Code of Ethics is available to all clients upon request. Questions regarding PWM's Code of Ethics should be directed to Harold C. Anderson, Chief Compliance Officer.

PWM places high value on the fiduciary nature of the relationship between the investment advisor and its clients. The fiduciary duty includes, but is not limited to, a duty at all times to place the interests of the clients ahead of those of the advisor and the advisor's employees, representatives, and associated persons (supervised persons). In addition, this fiduciary duty means loyalty, fairness, good faith towards its clients, and adherence not only to specific provisions of the code but to the general principles that guide the code.

General principles inherent in this Code of Ethics additionally include the requirement that all personal securities transactions be conducted in a manner consistent with the Code of Ethics and in such a manner as to avoid any actual or potential conflict of interest or any abuse of any individual's position of trust and responsibility; and that any "access persons" should not take inappropriate advantage of their positions or their relationships with the advisor or its clients. Access persons are supervised persons who may have information about investment recommendations whose effect may not yet be in the marketplace (non-public information).

Item 9. E.

From time to time, the principals and other associated persons of PWM may invest in the same or similar securities as clients of the firm. At other times, based on individual needs of the client and/or associated person, investments recommended for sale/purchase to the client may be bought/sold for the associated person. Clients of PWM are advised hereby that PWM has in place policies and procedures to govern the personal trading activities of its personnel, including Insider Trading Policies and Procedures and that all such activity is monitored in an attempt to ensure that all conflicts of interest, or potential conflicts of interest, are strictly avoided in the clients' best interest.

Item 10.

Minimum account/portfolio size is \$100,000. On occasion, the minimum may be waived. Management advisory fees, on portfolios under \$100,00, will be charged 2% per annum.

Clients with existing accounts falling below our minimum may be asked to transfer their account(s) and terminate their advisory relationship with PWM.

Item 11. A.

Clients receiving investment supervisory services receive continuous and ongoing review of their portfolios. Reviews are conducted by advisory associates of PWM whose education and background are described on Schedule F, #6. Reviews include analysis of market conditions, economic conditions, individual client needs and circumstances and any other relevant factors. Each reviewer monitors up to 150 portfolios, however at times the responsibility for the particular review may be delegated or shared among advisory associates.

Financial planning clients receive a one-time review and consultation upon the completion of their plan. Subsequent reviews are conducted at the request of the client, or pursuant to a regular prearranged schedule.

**Schedule F of
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

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Item of Form

Answer

Item 11. B.

Clients provided investment supervisory services receive quarterly portfolio reports that provide detailed information regarding their portfolio, including current allocation, market value as of the end of the most recent preceding quarter, transactions during the preceding quarter, and other pertinent information. In addition, each client receives a custodial account statement monthly, and a printed confirmation of each transaction from client's selected custodian.

Financial Planning clients receive a one-time project specific report upon completion of the planning service. PWM recommends that financial plans be updated annually. The updates may include a net worth statement, cash flow analysis, income tax projections, retirement projections, estate or college planning projections, or other such analyses as is being sought by the client.

For all clients, periodic reports may be generated at their request, and pursuant to the availability for PWM.

Item 12. A. (1)

PWM provides investment management services on a limited discretionary basis pursuant to a personalized investment policy/risk tolerance statement containing various asset classes and their specific portfolio weightings, pre approved by the client. Without prior consultation with the client, PWM may make trades (purchases and sales) within client-approved asset classes using no-load funds, load funds at NAV, Exchange-Traded funds, Certificate of Deposits, Treasury's, and government agency bonds.

Item 12. A. (2)

Trades are made in the amount that the advisor deems necessary to meet the client's pre approved risk tolerance and cash flow needs.

Item 12. B

The principal and associates of PWM conduct investment advisory services through the brokerage facilities of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA. It may be that the client is able to acquire the same or similar service from an alternate provider for a lower fee. Transaction charges may apply for certain transactions through TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA. The client is advised of the nature and amount of the transaction charges through the Investment Advisory Agreement.

There is no obligation for a financial planning client to invest through PWM. Financial planning clients are hereby advised that investment and advisory services similar to those offered by PWM are available through alternative sources. If they freely elect to make investments through PWM, PWM will use either TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA. PWM does not accept Directed Brokerage instructions from clients.

BEST EXECUTION:

Harold C. Anderson periodically monitors PWM's trading practices, in order to gather relevant information, review and evaluate the services provided by qualified custodians, the quality of executions, research, cost of transactions fees, and overall brokerage relationships, among other things.

PWM will also conduct periodic reviews of the firm's qualified custodians' best execution practices, evaluate services and document these reviews. PWM's summary of brokerage cost and best execution practices of qualified custodians is available to all clients upon request.

BLOCK OR AGGREGATION TRADING:

At times PWM will do block or aggregation trading of client transactions. This allows PWM to execute transactions in a more timely, equitable, and efficient manner and seeks to reduce overall transaction costs to the clients.

**Schedule F of
FORM ADV****Continuation Sheet for Form ADV Part II**

Applicant:

PRINCIPLE WEALTH

SEC File Number:

801- 69530

Date:

1/20/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

PRINCIPLE WEALTH MANAGEMENT

IRS Empl. Ident. No.:

26-3011938

Item of Form

Answer

PWM will aggregate client transactions where possible and when advantageous to clients. In these instances clients participating in any aggregated transactions will receive an average share price, and transaction costs will be shared equally and on a pro rata basis.

To avoid any conflicts, no special policies, procedures, or consideration will be given any employee, officer, director, or investment advisor in the event transactions are aggregated with client transactions. The employees, officers, directors, and investment advisors will receive the same average share price, and transaction costs will be shared equally and on a pro rata basis.

ALLOCATION:

PWM's allocation procedures will be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

PWM's policy prohibits any allocation of trades in a manner that its employees, officers, directors, or investment advisors, or any particular client(s) or group of clients will receive more favorable treatment than other client accounts.

TD AMERITRADE ADVISER DIRECT REFERRAL PROGRAM

Advisor participates in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, Inc. ("TD AMERITRADE") member FINRA/SIPC. TD AMERITRADE is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD AMERITRADE through its participation in the program. (Please see the disclosure under Item 13.A. below.)

Item 13. A.

As disclosed under Item 12.B. above, Advisor participates in TD AMERITRADE's institutional customer program and Advisor may [require clients to maintain accounts with TD AMERITRADE/recommend TD AMERITRADE to clients] There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of 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 Advisor by third party vendors. TD AMERITRADE may also have paid for business consulting and professional services received by Registrant's related persons] [and may also pay or reimburse expenses (including travel, lodging, meals [and entertainment] expenses) for Registrant's personnel to attend conferences or meetings relating to the program or to TD AMERITRADE's advisor custody and brokerage services generally.]. Some of the products and services made available by TD AMERITRADE through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of its fiduciary duties to clients, the firm endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor

**Schedule F of
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Applicant:

PRINCIPLE WEALTH

SEC File Number:

801- 69530

Date:

1/20/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

PRINCIPLE WEALTH MANAGEMENT

IRS Empl. Ident. No.:

26-3011938

Item of Form

Answer

or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD AMERITRADE for custody and brokerage services.

Item 13. B.

Advisor may receive client referrals from TD AMERITRADE through its participation in TD AMERITRADE AdvisorDirect (the "referral program"). In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, Advisor may have been selected to participate in AdvisorDirect based on the amount and profitability to TD AMERITRADE of the assets in, and trades placed for, client accounts maintained with TD AMERITRADE. TD AMERITRADE is a discount broker-dealer independent of and unaffiliated with Advisor and there is no employee or agency relationship between them. TD AMERITRADE has established the referral program as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD AMERITRADE does not supervise Advisor and has no responsibility for Advisor's management of client portfolios or Advisor's other advice or services. Advisor pays TD AMERITRADE an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 15%) of the advisory fee that the client pays to Advisor ("Solicitation Fee"). Advisor will also pay TD AMERITRADE the Solicitation Fee on any advisory fees received by Advisor from any of a referred client's family members, including a spouse, child or any other family member who resides with the referred client and hired Advisor on the recommendation of such referred client. Advisor will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD AMERITRADE to its clients. For information regarding additional or other fees paid directly or indirectly to TD AMERITRADE, please refer to the TD AMERITRADE AdvisorDirect Disclosure and Acknowledgement Form.

Advisor's participation in AdvisorDirect raises potential conflicts of interest. TD AMERITRADE will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD AMERITRADE and whose client accounts are profitable to TD AMERITRADE. Consequently, in order to obtain client referrals from TD AMERITRADE, Advisor may have an incentive to recommend to clients that the assets under management by Advisor be held in custody with TD AMERITRADE and to place transactions for client accounts with TD AMERITRADE. In addition, Advisor has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD AMERITRADE or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. Advisor's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.