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This brochure provides information about the qualifications and business practices of WESPAC Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at one of the numbers listed above and/or send a message to [advisory@wespac.net](mailto:advisory@wespac.net). 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.

WESPAC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

Additional information about WESPAC Advisors, LLC also is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The searchable CRD number for WESPAC Advisors, LLC is 148242.

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## Item 2 - Material Changes

WESPAC Advisors, LLC's Brochure has been updated with the following material changes since the last annual update of our brochure dated February 20, 2015:

- Previously, our ADV Form stated that for clients who have blends of strategies rather than a single strategy, they may not have their trades executed at the same time as a client who is 100% invested in a single strategy. This is no longer the case as we have implemented new trade allocation software (RedBlack) that allows for block trading across blends of strategies. Previously, we were using the Schwab Rebalancer.
- We changed the way we calculate assets under management (AUM) since the last time we filed our annual updating amendment. In previous years, we included as part of our AUM assets in defined contribution plans where we were the named, designated investment fiduciary under ERISA 3(38). Based on recommendations from compliance consultants, we changed this to where we are including only those assets that we have direct, discretionary control over and also effect transactions. Consequently, our listed regulatory AUM dropped from \$752,631,000 on 12/31/2014 to \$157,671,000 on 12/31/2015. However, the pool of assets we are providing advice on has remained roughly the same.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at, (800) 535-4253 or (510) 287-5255 or by email at [advisory@wespac.net](mailto:advisory@wespac.net).

Additional information about WESPAC Advisors is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with WESPAC Advisors who are registered, or are required to be registered, as investment adviser representatives of WESPAC Advisors.

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#### Item 4 - Advisory Business

A. A. WESPAC Advisors, LLC (WA) registered with the Securities & Exchange Commission as an investment adviser in 1995 and is headquartered in Oakland, California, with an additional office located in Reno, Nevada. WA has been wholly owned by Focus Financial Partners, LLC through its subsidiary Focus Operating, LLC and Summit Ventures V-IA, L.P. since July 2008. While Focus owns WA, an entity called Echo B Management, LLC retains discretion and control to all matters related to the management and operations of the firm. Echo B Management, LLC is an entity that was created during the buyout of WA in 2008 and it is currently 100% owned by Renee T. Szu, who is the president of WESPAC. There is an arrangement in place where Focus takes a stated percentage of the firm's annual earnings and the remainder goes to Echo B Management, LLC.

B. WA has two primary lines of business – providing investment advisory and fiduciary oversight services to self-directed retirement plans, and managing assets directly in separately managed accounts. Services may be customized depending on the client's needs.

WA provides investment advisory services to the plan sponsors of self-directed retirement plans to plan, develop, design, implement and administer an investment program based on the client's goals and needs. This typically includes providing the client with a formal investment policy statement, analyzing and recommending the mutual funds and asset allocation portfolios to be included on the plan investment menu, monitoring those selections on an ongoing basis, and providing investment advice to the plan participants through group meetings, individual meetings or phone consultation. The plan sponsor is sent a report each quarter and investment data and financial tools are available to participants through WESPAC's interactive participant website. WESPAC will also take on the role of co-fiduciary or designated fiduciary over the plan assets as a way to shield the plan sponsor from investment liability with respect to participants (this is the fiduciary oversight referred to above). For high net worth investors, other individuals, trustee-directed plans (typically defined benefit pension plans), trusts, and corporations, WESPAC manages accounts directly. WA's advisory service includes consulting as to the objectives, asset allocation and needs of the clients. WA may at times utilize the advisory services of another registered investment adviser to manage certain types of securities portfolios, such as equities, bonds or other types of securities. WA selects such advisers based on careful consideration of the adviser's performance history and management style. These advisers are referred to as "sub-advisers."

C. C. Once the client's risk and return objectives are determined through consultations and/or investment policy questionnaires, the appropriate asset allocation will be implemented. Clients with similar risk and return objectives will have these allocations implemented uniformly using individual securities, exchange traded funds, mutual funds, or various combinations thereof. WA can further tailor a portfolio to a client's specific needs as it may apply to restricting certain types of securities or holding legacy assets. Typically clients stipulate any restrictions or special instructions in WA's written investment management agreement entered into with the client.

D. WA does not take part in any wrap fee programs.

E. As of 7/31/2016, WA managed \$173,488,207 on a discretionary basis. The firm also advised \$617,953,832 in retirement plans that is not included as part of regulatory assets under management.

## Item 5 - Fees and Compensation

A. As full compensation for investment advisory services, WESPAC charges the following maximum investment management fees based on an annual percentage of total asset values: Maximum Fee Schedule:

	Portfolio Asset Value	Annual Fee Rate
First	\$1,000,000	1.25%
Next	\$1,000,000	1.15%
Next	\$1,000,000	1.05%
Next	\$2,000,000	0.95%
Over	\$5,000,000	0.85%

Fees are negotiable and may be waived in certain circumstances, such as is the case for employee accounts. Higher negotiated fees may be charged to a client depending on the complexity of the client's financial situation. The fee charged by WA includes any advisory fees of any sub-advisers; that is, WA pays any sub-advisers directly from the advisory fees paid to WA.

B. Clients typically grant WA authority to deduct its fees directly from client's account. However, WA will also bill directly for fees if that is a client's preferred option. Fees are billed quarterly in advance and calculated based on the market value (provided by each client's independent custodian) of each client account as of the last day of the applicable quarter.

In situations where a new retirement plan client is engaged and customer funds are transferred in at various points during the first quarter of engagement, we have a slightly different method of calculating fees. Here we would use the weighted average of the monthly balances during the quarter and then pro-rate it based on the number of days money was actually in the account. We are using this method so as not to overly penalize a client in the event that a large conversion balance is transferred in near the end of a quarter. The following is an illustration:

Balance as of:	Scenario 1	Scenario 2	Scenario 3
1/31/2013	\$ 3,500.00	-	-
2/28/2013	\$ 7,000.00	7,000.00	-
3/31/2013	\$ 325,000.00	325,000.00	325,000.00
	\$ 335,500.00	\$ 332,000.00	\$ 325,000.00
divided by # of months	\$ 111,833.33	\$ 166,000.00	\$ 325,000.00
Date money first enters the account	1/15	2/15	3/15
Fee would =	(76/90*.001875*\$111,833.33)		

\$	\$	\$
177.07	155.63	108.33

C. WA's fees do not include brokerage commissions or securities transaction fees charged by client's custodian (the custodian must be a "qualified custodian" as required by applicable regulatory requirements) and/or broker-dealer, or custodial fees. Investment companies (mutual funds, ETFs, etc.) in which a client's assets may be invested charge additional management fees and other expenses as described in the fund's prospectus. Please also refer to Items 12-15 of this Brochure for more information regarding our brokerage and trading practices.

D. Because WA charges fees in advance, any clients who terminate our advisory services during the course of a quarter will receive a pro-rata refund for any unused pre-paid portion of any advisory fees based on how many days remain in that calendar quarter. The pro-rata refund is calculated from when WA receives a notice of termination.

Client's custodian and/or broker-dealer provides quarterly account statements directly to the client that reflect all transactions in client's account(s), including the amount of any advisory fee deducted. Client is responsible for verifying the accuracy of the fee calculation, as Client's custodian does not determine whether or not the fee was properly calculated. However, WA does randomly select and check advisory fees each quarter to determine if fees were calculated properly based on the agreement with the client. 20 self-directed plan and 20 direct-managed accounts are spot-checked each quarter.

WA does not accept physical custody of clients' securities or cash. Clients will retain ownership of all securities and cash in their accounts. Fees are based on the portfolio market values provided by the custodians. Accounts managed by a sub-advisor are also valued by the custodians' market values. The type of account that is managed by a sub-advisor is a separately managed account where the portfolio manager has discretionary trading authority such as an individual brokerage account or traditional pension plan. There are no hard-to-price holdings and WA itself does not price any holdings.

In connection with WA managing a client account, clients will be subject to brokerage fees charged by our custodians (Charles Schwab & Co., Inc. and TD Ameritrade). In cases where clients are set up to receive electronic confirmations, clients will generally pay an \$8.95 commission rate for equity trades at Schwab and \$9.99 at TD Ameritrade. WA will provide a detailed commission schedule upon request. For fixed income trades, clients may pay a \$25 fee to trade away under a prime brokerage arrangement where WA may choose to utilize outside fixed income brokers to obtain better pricing for the client. However, it is rare that WA will purchase individual fixed income securities and is generally only done per a client request. Otherwise, WA tends to use mutual or exchange traded funds in the fixed income space. To the extent that WA uses any mutual funds in the management of a client account, the internal operating expenses of the mutual funds will be netted out of any returns that accrue to the client.

WA and/or its supervised persons may receive typical and customary commissions from the recommendation and sale of insurance products used in conjunction with our financial planning services. This practice does present a conflict of interest and gives WA and its supervised persons

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an incentive to recommend products based on the compensation received rather than on a client's needs. However, WA does mandate that supervised persons only make recommendations that are in the best interests of its clients. Clients are under no obligation to use such products and have the option to purchase the same products through unaffiliated firms or agents. Currently, the only supervised person who is selling insurance products through WESPAC Benefits & Insurance Services, LLC is Tom Lambert. Supervised persons are prohibited from selling insurance products to clients where such sale would be deemed a Prohibited Transaction under ERISA.. Commissions do not provide primary or exclusive compensation as WA is paid primarily by its advisory fees. Our advisory fees are not reduced or offset by commissions.

Investment advisory services of a non-discretionary, non-continuous nature are offered on a flat fee basis and on an hourly basis; fees are negotiable, but the standard rate is \$150 hour. Fees are invoiced and payable immediately after the services are rendered.

Termination of the investment advisory agreement may be initiated by either the client or WESPAC at any time by notification in writing. In the event of non-payment of management fees for a period of 30 days after invoice date, WESPAC reserves the right with prior written notice, to cease performance of account supervision and management functions.

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

WA does not have any arrangements where we charge performance based fees.

## **Item 7 - Types of Clients**

WA works with a variety of different types of clients – the plan sponsors of self-directed and trustee-directed retirement plans, individuals, testamentary trusts, corporations and other forms of business entities. Exceptions may be made, but the minimum capital for starting an account is generally \$250,000 for an individual or trustee-directed retirement plan, or \$50,000 for a self-directed retirement plan.

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

WA engages in various types of analysis and research to assist in formulating investment advice for clients through the strategies that WA manages. We utilize fundamental research obtained through Standard & Poor's, Argus, and Schwab, among others. We also use technical research obtained through Dorsey, Wright & Associates, one of the primary proponents of point & figure charting, a type of technical analysis that looks at the movements of security prices on charts. The synthesis of these types of analysis help us decide in which securities we want to invest based on their overall valuation levels and growth stories. In addition, it also helps us to determine price targets, good entry points for various securities, areas of relative strength in the financial markets, and proper price levels to set stop loss points in portfolios where we may to engage in risk management.



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For clients where we directly manage accounts on their behalf, WA primarily uses a combination of individual securities and exchange traded funds. However, we may use no-load mutual funds as well. We look at the experience and track record of the mutual fund or exchange traded fund in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. For self-directed retirement plan clients, we use no-load mutual funds.

Other investment types, such master limited partnerships, covered call options, and even other independent money managers may be used if the advisor and client agree it is an appropriate strategy for the client.

### **Risk of Loss:**

Investing in securities involves risk of loss that clients should be prepared to bear. Different investments involve varying types and degrees of risk. All investments present the risk of loss of principal – the risk that the value of securities, when sold or otherwise disposed of, may be less than the price paid for the securities. Investing in portfolios of equity securities exposes clients to the risk of substantial loss. In fact, 3 times in the past 16 years (2001, 2002, and 2008) many market participants heavily invested in equity securities experienced double-digit losses, with the broad market declining by more than 20% in 2002 and by more than 35% in 2008.

Clients should not assume that future performance of any specific investment, including those recommended by WA, will be profitable or attain specific performance levels.

### **Item 9 - Disciplinary Information**

As a registered investment advisor, WA is required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of our business or the integrity of our management personnel. Both WA and its management personnel have no reportable legal or disciplinary events to disclose.

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

There is an associate of WA – Steve Miller – who is a registered representative with an independent broker/dealer not affiliated with WA. Steve Miller is registered with LPL Financial headquartered in Boston, MA. Steve is an independent contractor and operates as an affiliated consultant of WA. In this role, he operates as an agent of WESPAC and if he receives a referral from WESPAC through our Schwab relationship and makes the sale, he is obligated to bring that business to the Schwab platform and engage WESPAC as the service provider. Per our agreement with Steve, there would never be a situation where WESPAC/Schwab referred a prospect to an independently contracted consultant who would then turn around and place that case with another service provider where they could possibly garner more revenue more quickly.

WESPAC Advisors is part of the Focus Financial Partners, LLC ("Focus") network. As such,



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WESPAC is a wholly owned subsidiary of Focus Operating, LLC (“Focus Operating”), which is a wholly owned subsidiary of Focus. Focus also owns other registered investment advisers, broker-dealers, pension consultants, insurance firms, and other financial service firms (the “Focus Partners”). The Focus Partners provide wealth management, benefit and investment consulting services serving individuals, families, employers, and institutions. Some Focus Partners also manage or advise limited partnerships, private funds, limited liability companies or investment companies as disclosed on their respective Form ADV, Schedule D.

Certain related persons of WESPAC are licensed agents of a WESPAC affiliate, WESPAC Benefits & Insurance Services, LLC (“WBIS”), an insurance brokerage firm. To the extent that a client purchases insurance from a WESPAC related person, WBIS and/or the related persons may receive commissions from the applicable insurance company. Advisory clients should understand this represents a conflict as there is an incentive for these persons to recommend products for which they receive compensation. However, clients are under no obligation to utilize these services. , WESPAC related persons are prohibited from selling insurance products to clients where such sale would be deemed a Prohibited Transaction under ERISA.

WESPAC and its related persons will refer clients who request qualified retirement plan administrative and record-keeping services to its affiliate, WESPAC Plan Services, LLC (“WPS”). WPS is owned by the persons who also own WESPAC. WPS and its clients enter into an administration agreement and the clients pay WPS a separate fee. WESPAC and its related persons may receive fees from these plans for supervising the plan’s portfolio and recommending investments to be made available to plan participants. Advisory clients should understand this represents a conflict as there is an incentive to recommend such affiliates for administrative and recordkeeping services as there is economic benefit due to the receipt of compensation by the affiliates and or the related persons. Advisory clients are under no obligation to utilize these services.

WESPAC Advisors has retained Kurt Joerger, Joerger Financial Management, as an investment strategist and portfolio advisor for its high net worth practice. Kurt will also introduce new clients to WESPAC Advisors’ practice.

Stonemark Wealth Management (formerly WESPAC Advisors SoCal, LLC): This firm used to part of WA, but spun off to create their own separate advisory firm at the end of 2011. They run a variety of different investment strategies based on both fundamental and technical analysis and WA is currently using the firm to manage some client accounts. We may also continue to use the firm as a sub-advisor in the future.

Michael Perry, President of Retirement Advisors, LLC: Charles Schwab & Co., Inc. put us in touch with Michael back in late 2012 and he has been a solicitor for WESPAC since then in the Dallas-Fort Worth metro area. It is a similar arrangement to what we have with Steve Miller, but Michael is not a supervised person of WA and has his own RIA firm (Retirement Advisors, LLC).

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

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A.WESPAC has adopted a Code of Ethics (the “Code”) for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. WESPAC and its personnel owe a duty of loyalty, fairness, and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes and gifts and entertainment reporting responsibilities. WESPAC will provide a copy of the Code of Ethics to any client or prospective client upon request.

1. Associated persons of WA may buy or sell securities that the firm recommends to clients. However, the firm policy is to prohibit entering into transactions that might pose a conflict of interest between employees and clients. Investment accounts of WA employees are reviewed quarterly by compliance personnel to ensure adherence to this policy. In addition, all trading activity of WA employees is reviewed regularly for possible conflicts of interest.

2. Associated persons of WESPAC may not purchase or sell securities for their own accounts or for client accounts which would involve the use of material, non-public information in violation of applicable laws.

## **Item 12 - Brokerage Practices**

WESPAC Advisors has a long standing relationship with Charles Schwab & Co., Inc. (Schwab) and most of our client accounts are custodied there. Schwab is primarily where WESPAC has placed client accounts since we started as an RIA in 1995. Over the past several years, we have begun to do business with TD Ameritrade (TDA) and have started to build a relationship there. We also have some accounts with TDA.

WESPAC’s relationship with Schwab pre-dates us having a formal advisory practice, as we already had a relationship with them for our retirement plan practice as a third party administrator and record keeper. This is a relationship that goes back to the early 1990’s. Aside from any other factors why we would choose Schwab or TDA as our custodians, their order execution is excellent. The most recently available statistics from this past year show that both firms surpassed the market maker averages in virtually every measurable way, from execution speed to percent of shares priced improved.

In addition, WESPAC through both custodians has access to tools and research that helps us to help our clients. Through Schwab, we have access to some of the most respected research in the industry, including Schwab’s own equity research, as well as research from Credit Suisse, Standard & Poor’s, Argus, and Ned Davis. In addition, because of Schwab pioneering mutual fund supermarket, we have access to literally thousands of mutual funds from hundreds of fund families. Schwab also has their own in house mutual fund research and provides a “select list” of mutual funds that trade on their platform that can sometimes assist in screening funds for clients.

Finally, because of our relationship with Schwab, we are often able to qualify for third party discounts to various products and services that otherwise might be too expensive. For example, we receive a discount on Zephyr Style Advisor, the industry’s premier style analysis software program, meaning

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that we pay \$10,000 annually instead of \$15,000. We also receive a discount on Morningstar products. These are things that are directly helpful in servicing clients.

TDA offers many of the same services to advisors that Schwab does, including access to various research services like S&P, First Call, and Argus. They actually offer more mutual funds on their fund supermarket platform and you can trade many ETF's with no commission charges. Both firms are currently offering trading commissions for on-line trading that are among the lowest in the industry.

#### **Item 12A.1. - Research and Other Soft Dollar Benefits**

WESPAC Advisors does not currently have any soft dollar arrangements. However, please see the disclosures in Item 12 above in relation to certain benefits WA may receive by virtue of its relationships with Schwab and TD Ameritrade.

#### **Item 12A.2. - Brokerage for Client Referrals**

WESPAC Advisors receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through WESPAC's participation in Schwab Advisor Network (the "Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with WESPAC. Schwab does not supervise WA and has no responsibility for WESPAC's management of clients' portfolios or WA's other advice or services.

WESPAC pays Schwab fees to receive client referrals through the Service. WESPAC's participation in the Service may raise potential conflicts of interest described below. WESPAC pays Schwab a participation fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by WESPAC is a percentage of the value of the assets in the client's account. WESPAC pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to WESPAC quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by WESPAC and not by the client. WESPAC has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs WESPAC charges clients with similar portfolios who were not referred through the Service.

WESPAC generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a onetime payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees WESPAC generally would pay in a single year. Thus, WA will have an incentive to recommend that client accounts be held in custody at Schwab. Also, WA may have an incentive to select or recommend Schwab based on its interest in receiving client referrals, rather than on its clients' interest in receiving most favorable execution.

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### **Item 12A.3. - Directed Brokerage**

Generally, WESPAC is retained by clients on a discretionary basis and authorized to determine and direct execution of portfolio transactions, without consultation with the client on a transaction by transaction basis. However, the client may limit discretionary authority in terms of type or amount of mutual funds and other securities to be bought or sold. WESPAC does not request the discretionary authority to determine the broker dealer to be used or the commission rates (or markups/markdowns in the case of fixed income securities) to be paid in these situations.

WESPAC, however, does not have discretion as to the broker dealer to be used for executing trades. Clients must direct WESPAC as to the broker or dealer to be used. In directing the use of a particular broker or dealer, it should be understood that WESPAC generally does not have authority to negotiate commissions among various brokers or obtain volume discounts; however, from time to time depending on the circumstances, WESPAC may be able to negotiate lower commissions through certain brokerage houses and prime brokers.

As a business practice, WESPAC prefers to use Charles Schwab and TD Ameritrade as its custodians and brokers and usually requests that the client direct WESPAC, in writing, to use one of these firms. Furthermore, clients should understand that WESPAC may receive referrals from Schwab and that such referrals create a conflict of interest. Although the commissions paid by WA's clients shall comply with WA's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where WA determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although WA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Clients should understand that as a result, they may pay higher commissions than available with other broker dealers as a result of the referral.

Schwab also pays for various investment and professional related research materials, software programs, publications, newsletters, website maintenance fees, educational seminars for clients and staff, and registration fees for attendance at professional and technical conferences and seminars.

For clients who are invested in the same strategies, we aggregate the purchase and sale of securities through block trading.

### **Item 13 - Review of Accounts**

Investment Management accounts are reviewed quarterly or more often, as requested by the client or as dictated by certain triggering events. Triggering events include, but are not limited to: changes in clients' circumstances, federal or state legislation, regulatory and political events such as changes in monetary policy, interest rates, large market fluctuations, mergers, rating agency changes and corporate restructuring.

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Generally speaking, the client's assigned consultant will review the client accounts each quarter, but this may also be done by the portfolio manager. Clients will receive from their custodian trade confirmations and monthly statements. For accounts we manage directly, clients will receive a written quarterly report that typically includes the following information: Portfolio value at the beginning and end of the quarter, contributions, withdrawals, realized capital gains and losses, interest, dividends, management fees, and time-weighted rate of return for the quarter and year to date. Reports may (but not always) include a letter written to the client and/or market commentary. The custodial broker dealer or trust company will provide the client with a form 1099 after the close of each calendar year.

Clients for whom we manage accounts directly will sometimes receive an electronic newsletter from WA. The format of the newsletter has been evolving over time, but has generally made some high level commentary on recent financial market action and may highlight one of our investment strategies.

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

From time to time, WESPAC enters into written agreements with certain individuals and entities who will act as solicitors of client accounts for WA in accordance with the requirements of SEC Rule 206(4)-3 of the Advisors Act. The individual or entity who solicits the client account will receive a portion of the total fee paid to Advisor for managing the account. Unless the solicitor is a supervised person of WESPAC, he will provide each client with certain disclosure documents including a "Solicitor's Disclosure Statement" which, among other things, sets forth the amount of the fee paid by Advisor in connection with the client referral.

The referral agreements between WESPAC and its solicitors are designed to comply with SEC Rule 206 (4)-3 of the Investment Advisors Act of 1940. Rule 206(4)-3 specifies certain standards that must be met by an investment advisor and any person who solicits any client for, or refers any client to, such advisor prior to the payment of a cash fee directly or indirectly, for client solicitation or referral. The fees paid to solicitors are a portion of the advisory fee paid to WESPAC. Clients do not pay a higher fee as a result of this relationship.

Periodically, Focus, our parent company, holds partnership meetings and other industry and best practices conferences, which typically include Focus firm and external attendees. These meetings provide sponsorship opportunities for asset managers, asset custodians, vendors, and other third party service providers. Sponsorship fees allow these companies to advertise their products and services to Focus firms, including WESPAC, and facilitate access to our advisor and employees to discuss ideas, products and services. This could be deemed a conflict: the marketing and education activities conducted, and the access granted, at such meetings and conferences may lead advisors to focus on those conference sponsors in the course of their duties. Focus attempts to mitigate any such conflict by having the fees only go towards defraying the cost of such meeting or future meetings and not as revenue for itself or any affiliate. Conference sponsorship fees are not dependent on assets placed with any specific provider, or the revenue generated by asset placement.

#### **Item 15 - Custody**



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WA does not have physical custody of client assets, but does usually have the authority to debit fees directly from client accounts. Because WA uses third party custodians like Schwab and TD Ameritrade for client accounts, clients will receive account statements from those entities and should carefully review them. We urge clients to compare the portfolio performance reports that WA sends out on a quarterly basis to the account statements that they receive from the custodians and to review custodial statements for fee calculations.

#### **Item 16 - Investment Discretion**

For clients for whom we directly manage accounts, WA is generally retained on a discretionary basis and authorized to determine and direct execution of portfolio transactions, without consultation with the client on a transaction by transaction basis. However, the client may limit discretionary authority in terms of type or amount of mutual funds and other securities to be bought or sold. Prior to WA assuming discretionary authority, we will have clients execute a client service agreement, an investment policy questionnaire (or statement of suitability), and a limited power of attorney.

#### **Item 17 - Voting Client Securities**

Clients may choose to have WESPAC vote proxies on its behalf. This is the standard arrangement that we have with clients whose accounts we vote on a discretionary basis. In this regard, WESPAC has a proxy voting responsibility and written policy, which is sub-contracted to another firm. WA currently engages Broadridge, a third party proxy voting vendor, for its ProxyEdge service. This third party service provider automatically votes on securities held in WA client accounts based on research provided by one of their partner firms, Glass Lewis. Through this outside service provider, WESPAC's policy is to vote proxies in the best interests of its clients. WESPAC attempts to consider all aspects of its vote that could affect the value of the underlying securities held in client accounts and will vote proxies in a manner it believed consistent with efforts to maximize the value of the client's portfolio.

As one of the main proxy advisory services in the world, Glass Lewis tries to avoid conflicts of interest to the maximum extent possible. They do not enter into any business relationships that may conflict with their mission: "serving institutional participant in the capital markets with completely objective advice and services." Glass Lewis does not offer consulting services to public corporations or directors. Glass Lewis is not in the business of advising public companies on their governance structures or conduct, and does not use its position as an advisor to institutional investors to win consulting mandates with issuers. Furthermore, Glass Lewis does not provide proxy solicitation consulting services to shareholder proponents.

As part of Glass Lewis' continued commitment to its customers, Glass Lewis has an independent Research Advisory Council. The Council ensures that Glass Lewis research consistently meets the quality standards, objectivity and independence criteria set by Glass Lewis' research team leaders. However, from time to time conflicts may arise in the proxy voting process. When this occurs, Glass Lewis maintains documentation on their conflict avoidance procedures (WA maintains a copy of these procedures). Clients may also request that proxies be voted a certain way. In the event that this conflicts with the way that WESPAC/Glass Lewis would vote, the client may be instructed to

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### **Item 18 - Financial Information**

The SEC requires advisers who require prepayment of advisory fees of \$1,200 or more, six months or more in advance, to provide a balance sheet. WA does not require or solicit prepayment of more than \$1,200 in fee per client, six months or more in advance. In addition, WA has no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition anytime in the past 10 years.

### **Item 19 - Requirements for State-Registered Advisors**

This is not applicable since WA is not registering with any state securities authorities.



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## Privacy Notice For Our Valued Clients

- WESPAC Advisors, LLC is committed to protecting your privacy. To conduct regular business, we may collect non-public personal information from sources such as: information reported by you on applications or other forms you provide to us; and/or information about transactions with us, our affiliates, or others.
- WESPAC Advisors, LLC shares non-public information solely to service our client accounts. We do not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law. If you decide to close your account(s) or become an inactive client, we will adhere to the privacy policies and practices as described in this notice.
- WESPAC Advisors, LLC will internally safeguard your non-public personal information by restricting access to only WESPAC employees. However, we may share information with our affiliates, WESPAC Plan Services, Inc. and WESPAC Benefit & Insurance Services, LLC, for the purpose of marketing services offered by those entities.
- If you so choose, you may opt out of having this information used for marketing these services for a period of up to 5 years (or until you notify us otherwise) by checking and signing in the space below and returning this form to us.
- Finally, to further safeguard client information digitally, we maintain password protected systems, updated anti-virus and anti-spyware software, data encryption and hardware/software firewalls.

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By checking the box to the left and signing/dating below, I hereby request that my personal information not be used to have other services marketed to me by WESPAC Plan Services, Inc. and WESPAC Benefit & Insurance Services, LLC.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Plan Name (if applicable)

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Authorized Signature

\_\_\_\_\_  
Date