

PART 2 of FORM ADV: **Firm Brochure – 401(k)**  
UNIFORM APPLICATION FOR INVESTMENT ADVISER REGISTRATION

## ITEM 1 - COVER PAGE

INTERMOUNTAIN WEALTH MANAGEMENT, INC.  
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This brochure provides information about the qualifications and business practices of [Intermountain Wealth Management](#). If you have any questions about the content of this brochure, please contact Jeremy Hulet at 208-522-3344 or [jhulet@intmtnwealthmgt.com](mailto:jhulet@intmtnwealthmgt.com). The information in this brochure has not been approved or verified by the United States Securities Exchange Commission or by any state securities authority. Intermountain Wealth Management is a Registered Investment Adviser (RIA). Registration does not imply a certain level of skill or training.

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

**ITEM 2 - MATERIAL CHANGES**

- A. On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure documents that IWM provides to clients as required by SEC rules. This brochure dated January 31, 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this item will only discuss specific material changes to the Brochure and provide clients with a summary of such changes. The date of the last annual update to IWM's brochure was January 18, 2010.

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

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

Currently, our Brochure may be requested by contacting Jeremy Hulet, Chief Compliance Officer, at 208-522-3344 or [jhulet@intmtnwealthmgt.com](mailto:jhulet@intmtnwealthmgt.com).

Additional information about Intermountain Wealth Management, Inc 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 Intermountain Wealth Management, Inc. who are registered, or are required to be registered as Investment Advisers Representatives of Intermountain wealth Management, INC.

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**ITEM 4 - ADVISORY BUSINESS*****A. Describe your advisory firm, how long you have been in business, and the principal owners.***

Intermountain Wealth Management (IWM) is a SEC Registered Investment Advisory firm. IWM was established on April 10, 2009. The principal owners are Kevin Flamm, Dirk Murray and Bryce Anderson.

***B. Describe the types of advisory services you offer.***

IWM is a fiduciary to the plan sponsor as it relates to the selecting, monitoring, and replacement of investment choices in the retirement plan. IWM's fiduciary responsibilities apply to these services only. As such, IWM provides ongoing investment advice and financial education for its clients.

The investment advice is based on both technical and fundamental analysis. Technical analysis is the study of stock market cycles, economic cycles, chart analysis, and relative strength. Fundamental analysis is the study of industries, products, demographics, management, and industry competition.

IWM provides a written 401(k) Service Agreement to clients outlining the services provided relating to the management of investments and the educational services provided.

***C. Explain how you tailor your advisory service to the individual needs of the client.***

***Self-directed Investor*** - Employee retirement plans are self-directed. "Self-Directed" means that employees are responsible for evaluating, selecting, and managing the investments in their account.

***Investment Models*** - If an employee wants assistance with their investment selections, the employees can choose to follow the advice of IWM. IWM serves as a consultative resource for information and research. IWM creates several different investment models with different risk and return characteristics that employees may consult as an option for investment advice. Each employee must determine his or her individual risk tolerance and determine if he or she is a conservative, moderate, or aggressive investor. The employee selects the investment model most suitable for his or her risk tolerance and return expectations. The investment models offered by IWM are as follows:

- Conservative
- Moderate
- Aggressive

**Alerts** - When IWM makes a change to an investment model, IWM will e-mail the updated changes and recommendations to the plan sponsor. It is the responsibility of the plan sponsor to forward the information to each employee via e-mail or other means. *IWM is not responsible to contact the employees participating in the plan.* It is the responsibility of each employee to make the necessary changes in their individual accounts. *IWM provides advice only* and has *no authority* to make changes in any employee's retirement account.

**D. Education**

**Plan Sponsor Representatives** - IWM will meet annually with the plan sponsor representatives to review investment performance, removal, and replacement of investment choices, Service Agreement, Investment Policy, Investment Models, and any plan documents relating to IWM's fiduciary responsibility. IWM will also review employee plan participation.

**Enrollment Meetings** - IWM provides regular meetings for new employees who qualify to participate in the plan. Instructions about plan enrollment are provided. This meeting will also include a discussion about the investments choices available within the retirement plan and provides a basic investment education.

**Educational Seminars** - IWM provides regular education seminars that are open to all employees. This meeting provides a review of the retirement plan investment as well as general market information. IWM may also discuss other investment and financial topics during this meeting.

**Investment Seminar (Optional)** - This seminar provides timely market information and discusses investment topics not related to the retirement plan. This seminar is open to all employees, their families, and guests.

**E. Describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts.**

IWM do not participate in any wrap fee programs and do not receive any wrap fees for our services.

**F. Disclose the amount of assets you manage on a discretionary basis and the amount of assets you manage on a non-discretionary basis.**

As of January 14, 2011, assets managed on a discretionary basis were \$69,300,000. Assets managed on a non-discretionary basis were \$2,100,000.00.

**ITEM 5 - FEES AND COMPENSATION****A. *Describe how you are compensated for your advisory services.***

IWM is a “fee only” advisor. The annual fee for portfolio management advice and assistance is calculated and charged as a percentage of the client’s assets managed by IWM. Assets managed by IWM are also known as “assets under management” (AUM).

The plan vendor discloses IWM’s fee to the plan sponsor in the Request for Proposal. The plan vendor may include IWM’s fee as a portion of their total fee or can break it out as a separate item.

IWM’s fee will not exceed 1% annually of assets under management.

**B. *Describe whether you deduct fees from client’s accounts or bill clients for fees incurred.***

IWM has access to many different plan vendors. IWM will recommend a plan vendor that best meets the needs of the plan sponsor and its employees. The different variables that determine the recommended plan vendor are:

- The financial size of the plan
- The number of employees participating in the plan
- The average account size
- Investment choices and expenses
- Administration expenses

All of these variables determine how best to structure the plan. These variables will also determine if the vendor deducts fees from employees account or waives certain fees.

Some vendors may charge in advance. Some vendors may charge in arrears. The plan vendor and not IWM determine when fees are charged. The plan vendor will provide complete disclosure of fee details in their Request for Proposal.

The annual management fee is the same for all employees participating in a company retirement plan.

**C. *Describe other fees or expenses.***

Each mutual fund or Exchange Traded Fund (ETF) used in the retirement plan has internal expenses that are disclosed in the fund’s prospectus and is separate from fees charged by IWM. Fund prospectuses are available upon request from the plan vendor.

Any additional charges by the plan vendor are separate from the fees charged by IWM.

The plan sponsor may use a separate third party administrator (TPA) for other services not provided by the plan vendor. Any TPA costs are separate from the fee charged by IWM.

***D. Disclose if your clients must pay in advance.***

Clients may be required to pay in advance, however most plan vendors will either bill the plan sponsor or debit employees accounts in arrears at the end of each quarter. Specific information regarding fees is disclosed in the Request for Proposal. (See Item 5-B)

***E. Disclose if you receive compensation for the sale of securities or other investment products.***

IWM does not receive compensation from any mutual funds or exchange trades funds used in the portfolios.

## **ITEM 6 - PERFORMANCE – BASED FEES AND SIDE-BY-SIDE- MANAGEMENT**

***A. Disclose if any person accepts performance-based fees based on capital gains or capital appreciation of assets.***

IWM does not charge a fee based on performance, capital gains or capital appreciation. IWM charges an annual fee as a percentage of assets under management. (See Item 5-B)

## **ITEM 7 - TYPES OF CLIENTS**

***A. Disclose the type of clients to whom you generally provide investment advice.***

IWM provides investment advice to plan sponsor of various types of defined contribution retirement plans such as 401(k) plans, profit sharing plans, and executive deferred compensation plans. IWM also provides investment advice and education assistance to the individual employees participating in the retirement plan.

## **ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

***A. Describe the methods of analysis and investment strategies you use in formulating investment advice.***

**1. Technical Analysis.**

IWM provides investment advice based on technical and fundamental analysis. (See Item 4-B) This analysis is the backbone for our investment strategies.

**B. Investment Strategies.**

- 1. Fundamental Top-Down Approach.** IWM starts by looking at the global economic conditions and then drilling down to regions, sectors, or industries until we identify appropriate investments suitable for our clients.
- 2. Technical Trend Following Strategy.** IWM uses a “trend following” strategy. IWM uses technical charts and patterns to determine when long-term trends change. When longer-term trends change, IWM adjusts by increasing or reducing clients’ exposure to the stock market. This methodology will never catch market tops or market bottoms because enough time must pass to identify a changing trend. However, this strategy will usually catch the majority of the movement caused by a trend change.

IWM also implements strategies for our clients that overweight or underweight investments based on Relative Strength.

IWM does not hold investments for a pre-determined period. There may be times when IWM exits an investment within 12 months of purchase. When this happens, any gains or losses are considered short-term gains or losses and are taxed accordingly.

IWM does not subscribe to a “buy and hold” philosophy, where investments are bought and held regardless of long-term market changes. IWM is not involved in market timing or day trading.

Wealth accumulation is about understanding client’s tolerance for risk, earning respectable returns, then preserving those gains through a sound strategy for avoiding large losses.

**C. Risk of Loss**

There may be a loss or decrease in the value of any investment caused by market fluctuation.

There is risk of loss when investing in stocks, mutual funds, exchange traded funds, bonds, money market funds and options.

- 1. Stocks, mutual funds, and exchange traded funds** - All equity investments have the risk of loss of principal.
- 2. Bonds** - Fixed income investments have reinvestment risk, interest rate risk, and default risk.



- 3. Money Market Funds** - Have inflation risk and loss of principal risk.

## ITEM 9 - DISCIPLINARY INFORMATION

*List any legal or disciplinary events that are material to a client's evaluation of your business.*

- A. Criminal or civil action in a domestic, foreign or military court in which your firm or management person was convicted or plead guilty to a felony or misdemeanor that involved investments or investment-related business:**

Neither Intermountain Wealth Management nor any management persons affiliated with IWM have been involved in any criminal or civil actions involving investments or investment related business.

- B. Administrative proceeding before the SEC or other federal/state regulatory agency:**

Neither Intermountain Wealth Management nor any management persons affiliated with IWM have been involved in any proceedings before the SEC or any other federal/state regulatory agency

- C. Any Self Regulatory Organization (SRO) proceedings resulting in a loss of authorization to do business, barred or suspended from membership, limited from investment-related activities, or fined more than \$2,500 from the SRO:**

Neither Intermountain Wealth Management nor any management persons affiliated with IWM have been involved in any proceedings from a SRO.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

- A. Are any management persons registered or have application to register as a broker-dealer or registered representative of a broker dealer?**

No

- B. Are any management persons registered or have application to register as a futures commission merchant, commodity operator or commodity trading advisor?**

No

- C. *Describe any relationship that is material to your advisory business with a broker-dealer, investment company, bank, accountant, lawyer, insurance company, real estate broker, or limited partnership.***

IWM maintains relationships with attorneys and CPA's and works with them to help provide for estate planning and income tax services for our clients. IWM does not receive compensation for these services.

Kevin Flamm maintains an insurance licenses in several states. When Kevin provides insurance products for our clients, he receives a commission on the insurance policy.

Insurance products are not a material part of IWM's business. Insurance represent less than 1% of IWM annual business. IWM does not actively solicit insurance business, but offers it as an ancillary service to our clients.

## **ITEM 11 - CODE OF ETHICS**

- A. *Describe the code of ethics your firm has adopted pursuant to SEC rule 204A-1.***

IWM has adopted a Code of Ethics per SEC rule 204A-1. IWM will provide a copy of our Code of Ethics to any client or prospective client upon request.

- B. *If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material interest, describe your practice and discuss the conflicts of interest it presents.***

IWM do not hold material interest in any securities IWM recommend to our clients. This area provides no conflicts of interest.

- C. *If you or any related person invests in the same securities that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and how you address the conflicts that arise in connection to personal trading.***

All related persons at IWM invest by selecting from the same models IWM provides for our clients. IWM avoids any conflict of interest by using block trading when trading those models. When block trading, every account in the model (including all related persons accounts) buys and sells at the same time and receives the same execution price.

- D. *If you or a related person recommends securities to clients, or buys or sells securities for clients accounts, at or about the same time that you or a related person buys or sells the same securities for your own accounts, describe your practice and discuss the conflicts of interest it presents.***

If related persons at IWM have a personal account in the Self-Directed or Fixed model, IWM restricts their ability to purchase a security for 24 hours after clients have purchased the security.

The Chief Compliance Office reviews every trade the following day and verifies all trades by related persons are compliant with this rule. Per SEC rules, IWM also keeps a log of all trades for audit and inspection.

## ITEM 12 - BROKERAGE PRACTICES

***A. Describe the factors that you consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation.***

IWM does not recommend a broker-dealer or use a broker-dealer for any retirement plans transactions. This is the responsibility of the plan vendor.

***Additional Compensation***

***1. Research and Other Soft Dollar Benefits. If you receive research or other soft dollar products or services other than executions from a broker-dealer or a third party in connection with client securities transactions, disclose your practice and discuss the conflicts of interest.***

IWM does not receive soft dollar benefits in the form of research or other products or services.

***2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflict of interest it creates.***

IWM has no affiliation with a broker-dealer. IWM does not receive client referrals from any broker-dealer.

***3. Directed Brokerage. If you routinely recommend, request or require that a client direct you to execute transaction through a specified broker-dealer, describe your practice or policy.***

See Item 12-A

***4. Discuss whether and under what circumstances you aggregate the purchase or sales of securities for various client accounts. If you do not aggregate orders when you***

***have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.***

Not applicable. Each employee makes all trades within his or her retirement account. All transactions by employees occur on an individual basis.

## **ITEM 13 - REVIEW OF ACCOUNTS**

***A. Indicate whether you periodically review client accounts or financial plans. Describe the frequency and nature of the review.***

IWM maintains a written service schedule for each plan sponsor. The plan sponsor meets with IWM semi-annually unless the plan sponsor and the IWM servicing advisor agree upon a different service schedule.

***If you review client accounts on other than a periodic basis, describe the factors that trigger a review.***

A review would be necessary if the plan sponsor has questions, or if the plan sponsor's business needs or circumstances change. If one of the investment choices fails to meet certain plan criteria, IWM will assist the plan sponsor in drafting a letter of instruction for the plan vendor to replace the investment choice. (See Item 13-C)

Life events often necessitate additional reviews. When a employee divorces, passes away, changes jobs, moves, or has children go to college, these events often trigger additional reviews. Employees may call and schedule an appointment anytime they wish to discuss and review their accounts. There is no additional charge for this service.

***B. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts.***

***C. On a quarterly basis, IWM provides a Fund Performance Review Report to the plan sponsor. This report indicates if the investment choices meet the required criteria of the plan. If an investment choice fails to meet criteria, it is removed and replaced by another investment.***

IWM does not generate client statements. Clients receive regular account statements from the plan vendor/custodian showing the holdings in their account(s), the number of shares, the value of each holding, and the total account value. Clients can access their account through the plan vendor's website. Clients can also visit the plan vendor's website at any time to receive additional details about their holdings and account.

**ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

- A. *If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflict of interest, and describe how you address the conflict of interest.***

When clients need accounting services or legal services IWM recommends several sources for their consideration. IWM does not receive any compensation from any CPA or attorney for these recommendations. The only economic benefit IWM may receive is if the CPA or attorney recommends IWM to others as a source of financial or investment advice.

- B. *If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.***

If a client recommends IWM to another person or company, and that person or company becomes a client of IWM, IWM will give the referring client a referral appreciation gift that does not exceed the maximum dollar value per SEC regulations.

**ITEM 15 - CUSTODY**

- A. *If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank, or other qualified custodian.***

IWM is not a custodian of any client funds. The plan vendor serves as custodian for all 401(k) plans assets and holds all clients funds. The custodian sends regular statements to employees participating in the plan.

**ITEM 16 - INVESTMENT DISCRETION**

- A. *If you accept discretionary authority to manage security accounts on behalf of clients, disclose this fact and describe any limitations clients may place on this authority. Describe the procedure you follow before you assume this authority.***

IWM does not accept discretionary authority for any plan sponsor or employees in the retirement plan.

**ITEM 17 - VOTING CLIENT SECURITIES**

- A. *If you have, or will accept authority to vote clients securities, briefly describe your voting policy and procedures, including those adopted pursuant to SEC rule 206(4)-6.***

Unless the parties otherwise agree in writing, IWM shall have no authority or obligation to vote or provide any advice with respect to the voting of proxies solicited by the issuer of securities held by an account(s).

- B. *Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you.***

Clients will receive voting proxies from either the custodian or the transfer agent. IWM will not provide any voting proxies to the client. IWM may offer opinions but will not provide any advice with respect to the voting of proxies.

**ITEM 18 - FINANCIAL INFORMATION**

- A. *If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.***

Not Applicable. See Item 5.B

- B. *If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial conditions that is reasonably likely to impair your ability to meet contractual commitments to clients.***

Not Applicable. See Item 5.B

- C. *If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.***

Neither IWM nor any of the Managing Directors have been subject to a bankruptcy petition during the past ten years.