

Item 1: Cover Page

**Part 2A of Form ADV
Firm Brochure**

August 2, 2012

MGP Wealth Management, LLC

SEC No. 801-7644

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This brochure provides information about the qualifications and business practices of MGP Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at mpearsall@mgp-wealth.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission. Registration with the SEC or State Regulatory Authority does not imply a certain level of skill or expertise.

Additional information about MGP Wealth Management, LLC, is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to new regulatory requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4: Advisory Business

A. Description of Your Advisory Firm

MGP Wealth Management, LLC ("MGP Wealth," "MGP," and/or "the firm"), is an SEC-registered investment adviser principally owned by Morgan Pearsall. MGP Wealth has been offering financial planning and investment advisory services since May 2009. Morgan Pearsall is the sole member of MGP Wealth.

B. Description of Advisory Services Offered

MGP Wealth is an independent investment advisory and financial planning firm offering a variety of financial services to individuals including high-net-worth individuals, family offices, family groups, corporate executive groups, trusts, corporations, partnerships, retirement plans, pension and profit sharing plans, tax exempt, and other legal entities. Advisory services may include financial planning, investment strategy, portfolio management, and tax and estate planning.

MGP Wealth does not take discretion with respect to advisory client assets. All financial planning and investment advisory services are provided on a non-discretionary basis. MGP Wealth recommends securities transactions to its clients that include securities and strategies as described in Item 8 of this Brochure.

B.1. Financial Planning Services

Clients will receive a written or oral report (depending on the client's preference) providing them with a detailed financial plan designed to help achieve their stated financial goals and objectives. Based on the client's needs, financial planning services may include (but is not limited to) the following:

- Preparation of a recommended asset allocation that serves to diversify the client's portfolio among different categories of investments, such as small, medium, and large capitalization securities; corporate and government fixed income (short-, intermediate-, and long-term maturities); emerging market securities (i.e., foreign issuers); and such other asset categories that are suitable in light of the client's investment goals, objectives, and risk tolerance.
- Preparation of an investment policy statement setting forth the investment plan of the client with specific direction in terms of diversification requirements, tax issues, estate planning issues, risk tolerance, retirement, and other identified objectives of the client, including a targeted rate-of-return objective.
- Preparation of a retirement plan that serves to identify whether the client is saving enough and investing in a way that meets retirement objectives in light of the client's financial circumstances and risk tolerance.
- Preparation of cash flow projections to ensure that the client can meet daily living expenses and obligations.

- An insurance plan to meet the needs of the client, taking into account family, business, and other financial objectives of the client.
- Preparation of an estate plan to ensure that wealth transition, tax, and related issues are met in accordance with the client's wishes. In many instances, an outside attorney will need to be hired to handle specific legal issues that arise in the formation and implementation of an estate plan.

MGP Wealth gathers required information through in-depth personal interviews and questionnaires. Information gathered includes a client's current financial status, investment objectives, future goals, and attitudes towards risk. Related documents supplied by the client are carefully reviewed, and a report is prepared covering one or more of the above-mentioned topics as directed by the client.

B.2. Investment Advisory Services

MGP Wealth provides clients with investment recommendations predicated on asset allocation models to create diversified portfolios consisting of mutual funds, exchange-traded funds, portfolios managed by separate account managers engaged by the client, and, in appropriate cases involving qualified clients, investments in private placements. The asset allocation methodology employed by MGP Wealth relies on *modern portfolio theory*, which involves the application of certain mathematical principles to the historical performance of certain asset classes and the combination of these asset classes to identify an asset allocation designed to seek a projected rate of return consistent with the client's investment objectives, goals, tolerance for risk, and other personal and financial circumstances. In preparing the asset allocation, MGP Wealth will analyze each client's current investments, investment objectives, goals, age, time horizon, financial circumstances, investment experience, investment restrictions and limitations, and risk tolerance. MGP Wealth's objective is to review the client's tax and estate planning objectives and goals in connection with the client's investment objectives, goals, tolerance for risk, and other personal and financial circumstances and make appropriate recommendations. MGP Wealth may engage third-party service providers to assist with the tax and estate planning portion of the services provided to clients. In addition, MGP Wealth may utilize third-party software to analyze individual security holdings and separate account managers utilized within the client's portfolio.

MGP Wealth will prepare an investment policy statement based on the client's investment objectives, goals, tolerance for risk, and such other factors unique to the client and provide appropriate recommendations. On a quarterly basis, MGP Wealth, in connection with a third-party service provider, will provide such clients with reports regarding the performance of their portfolios. In addition, MGP Wealth will monitor those portfolios and make additional recommendations from time to time to rebalance and/or reallocate each client's investments in accordance with such client's investment policy statement as necessary.

MGP Wealth's investment advisory services to clients are based on asset allocation models that, as noted above, take into account a client's personal financial circumstances, investment objectives, and tolerance for risk (e.g., cash-flow, tax, and estate). MGP Wealth's engagement with a client will include, as appropriate, the following:

- Providing assistance in reviewing the client's current investment portfolio against the client's personal and financial circumstances as disclosed to MGP Wealth in response to a questionnaire and/or in discussions with the client and reviewed in meetings with the firm.
- Analyzing the client's financial circumstances, investment holdings and strategy, and goals.
- Providing assistance in identifying a targeted asset allocation and portfolio design based on modern portfolio theory.
- Recommending mutual funds, exchange-traded funds, portfolios managed by separate account managers and, in appropriate cases, private placements, each matched to the asset categories in the client's targeted asset allocation for consideration by the client.
- Reporting to the client on a quarterly basis or at some other interval agreed to with the client, information on contributions and withdrawals in the client's investment portfolio and the performance of the client's portfolio measured against appropriate benchmarks (including benchmarks selected by the client).
- Proposing changes in the client's investment policy statement and/or targeted asset allocation in consideration of changes in the client's personal circumstances, investment objectives and tolerance for risk, the performance record of any of the client's investments, and/or the performance of any fund or manager retained by the client.
- If the client's portfolio and personal circumstances, investment objectives, and tolerance for risk make such advice appropriate, providing recommendations to hedge a client's portfolio through the use of derivative strategies, to generate additional income through the use of covered call option writing strategies involving exchange listed or OTC options, and/or to monetize or hedge concentrated stock positions.

In addition to providing MGP Wealth with information regarding their personal financial circumstances, investment objectives, and tolerance for risk, clients are required to provide the firm with any reasonable investment restrictions that should be imposed on the management of their portfolios and to promptly notify MGP Wealth of any changes in such restrictions or in their personal financial circumstances, investment objectives, goals, and tolerance for risk. On a quarterly basis, the firm's reports to clients will remind clients of their obligation to inform MGP Wealth of any such changes or any restrictions that should be imposed on the management of their accounts. MGP Wealth will also contact clients at least annually to determine whether there have been any changes in a client's personal financial circumstances, investment objectives, and tolerance for risk.

When appropriate to the needs of and suitability for a client, MGP Wealth will assist the client in developing a strategy for monetizing/hedging a portfolio or a concentrated stock position held by the client. Monetizing a concentrated stock position allows a client to receive funds to diversify the portfolio and limit its downside exposure while allowing for the continued potential to participate, to a lesser extent, in any increase in the price of the concentrated stock. Hedging a concentrated stock position allows a client to protect against losses below a certain stock price while allowing for the potential to participate in any increase in the price of the stock.

C. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

D. Wrap Fee Programs

MGP Wealth does not participate in wrap fee programs. (Wrap fee programs offer services for one all-inclusive fee.)

E. Client Assets Under Management

As of December 31, 2011, MGP Wealth has approximately \$168 million of non-discretionary assets under management.

Item 5: Fees and Compensation

A. Methods of Compensation and Fee Schedule

A.1. Fee Schedule

The annual fee for services provided by MGP Wealth will be charged as a percentage of assets under supervision by the firm. The fees will be computed in the following manner:

Basis point charge X market value of assets X actual number of days/365 days

MGP Wealth's asset-based fee schedule for accounts is detailed below, although such fee schedule is negotiable.

<u>Assets Under Supervision</u>	<u>Annual Fee Rate</u>
First \$1 million	1.00%
Next \$4 million	0.50%
Next \$5 million	0.35%
Next \$15 million	0.25%
Next \$25 million	0.15%
Over \$50 million	Negotiable

MGP Wealth requires a minimum fee of \$10,000 per account. As such, MGP Wealth's services are designed for the investor with a minimum of \$1,000,000 of liquid assets. Clients with less than \$1,000,000 in liquid assets may be able to find similar services at prices more favorable than those charged by MGP Wealth.

Generally, fees will be charged in advance or arrears, depending on the investment advisory agreement with the client. The client and the client's custodian or broker-dealer will be invoiced at the beginning of each calendar quarter, based upon the market value (market value plus any credit balance or minus any debit balance) of the client's account at the end of the previous quarter, as mutually agreed upon by the client and MGP Wealth.

Asset-based fees are always subject to the investment advisory agreement between the client and MGP Wealth. Such fees are payable quarterly in advance. The fees will be prorated if the investment advisory relationship commences otherwise than at the beginning of a calendar quarter. Adjustments for significant contributions to and distributions from a client's portfolio are prorated for the quarter in which the change occurs.

A.2. Hourly and Fixed-Fee Arrangements

MGP Wealth charges hourly or fixed rates when there are no investment assets to supervise on an ongoing basis. There is a minimum annual fee of \$10,000. As such, MGP Wealth's services are designed for the investor with a minimum of \$1,000,000 of liquid assets. Clients with less than \$1,000,000 in liquid assets may be able to find similar services at prices more favorable than those charged by MGP Wealth. This fee is negotiable.

MGP Wealth does not offer fixed-fee arrangements to all clients. Generally, the more complex the financial planning engagement the higher the likelihood that fixed fees will be negotiated,

as it is difficult with respect to complex cases to discern the exact number of hours required to provide services. A comprehensive plan generally takes approximately 40 to 75 hours to complete, based on complexity. In such cases, a fixed fee would be negotiated and then reevaluated at a later point to determine whether the fixed-fee compensation requires adjustment. Fixed fees are computed based upon an estimate of hours required to perform services. Where the time spent can be accurately estimated, then an hourly charge would apply.

MGP Wealth attempts to maintain parity with hourly and fixed charges while allowing some flexibility in estimation, taking into account case complexity and client-specific circumstances. Financial planning fees will be billed at the rate of \$300 per hour or a fixed fee mutually agreed upon by the client and MGP Wealth. Invoices will be mailed out on a periodic basis reflecting completed work performed. Clients seeking to terminate this service must do so in writing.

A.3. Additional Terms for All MGP Wealth Client Accounts

Asset-based fees are always subject to the investment advisory agreement between the client and MGP Wealth. Such fees may be payable monthly or quarterly, in advance or in arrears. The fees will be prorated if the investment advisory relationship commences otherwise than at the beginning of a calendar month or quarter. Adjustments for significant contributions to and distributions from a client's portfolio are prorated for the quarter in which the change occurs.

A client investment advisory agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

B. Client Payment of Fees

MGP Wealth's fees will be billed directly to and paid from the client's account by the custodian of the portfolio. If the client's account is managed by a separate account manager, such manager will generally require that any fees be paid on a quarterly basis, in advance, directly from the client's account with the custodian of the portfolio assets.

MGP Wealth will deduct its advisory fees directly from the client's account provided that

- the client provides the qualified custodian written authorization;
- a bill is sent in advance to both the client and the custodian at the same time;
- the bill shows the amount of the fee, how it was calculated, and the value of the assets on which the bill is based; and
- the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account.

The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

C. Additional Client Fees Charged

The fees charged by MGP Wealth do not include fees charged by any exchange-traded fund, mutual fund, or separate account manager selected by the client. The management fees for investment managers are generally disclosed in each investment manager's disclosure document (Brochure) or, in the case of an exchange-traded fund or mutual fund, in the respective fund's prospectus. Clients are advised to read these materials carefully before investing. All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, and by any broker-dealer or custodian retained by the client. If a mutual fund also imposes sales charges, the client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using MGP Wealth may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian. Please refer to the Brokerage Practices section (Item 12) for additional information regarding the firm's brokerage practices.

If the client determines to invest in a private investment fund recommended by MGP Wealth, the firm will be compensated based upon the value of the assets placed in private investment funds in accordance with the fee schedule as set forth in Item 5.A. above. The advisory fee paid to MGP Wealth is in addition to the fees paid to the private investment fund sponsor and/or manager as set forth in the fund offering documents.

D. Prepayment of Client Fees

MGP Wealth's fees will either be paid directly by the client or disbursed to the firm by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

A client investment advisory agreement may be canceled at any time by the client, or by MGP Wealth with 30 days' prior written notice to the client. A financial planning agreement may be terminated by either party for any reason upon receipt of written notice. Upon termination of any account, any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

E. External Compensation for the Sale of Securities to Clients

MGP Wealth's financial advisors are compensated solely through a salary and bonus structure. The firm is not paid any sales, service, or administrative fees for the sale of mutual funds or any other investment products.

Item 6: Performance-Based Fees and Side-by-Side Management

MGP Wealth does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in their best interests.

Item 7: Types of Clients

MGP Wealth offers its investment services to various types of clients, including individuals including high-net-worth individuals, family offices, family groups, corporate executive groups, trusts, corporations, partnerships, retirement plans, pension and profit sharing plans, tax exempt, and other legal entities. Although MGP provides investment services to the various types of clients mentioned, the services are conditioned upon meeting certain minimum criteria established by the firm for each of the investment programs it offers.

MGP Wealth requires a minimum fee of \$10,000 per account. As such, MGP Wealth's services are designed for the investor with a minimum of \$1,000,000 of liquid assets. Clients with less than \$1,000,000 in liquid assets may be able to find similar services at prices more favorable than those charged by MGP.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss

A. Methods of Analysis and Investment Strategies

The methods of analysis may include fundamental and technical analysis, quantitative methods for optimizing client portfolios, computer-based risk/return analysis, and statistical and/or computer models utilizing long-term economic criteria. MGP Wealth may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

A.1. Mutual Funds, Exchange-Traded Funds, Independent Investment Managers and Pooled Investment Vehicles, and Individual Equity and Fixed Income Securities

MGP Wealth may recommend (i) separate account managers to manage client assets, (ii) mutual funds and individual securities (including fixed income instruments), and/or (iii) pooled investment vehicles. Such investments may represent a variety of asset classes that may include, among others, large-, mid-, and small-cap value, growth, and core; international and emerging markets; and alternative investments. MGP Wealth may also assist the client in selecting one or more appropriate manager(s) for all or a portion of the client's portfolio. Such managers typically manage assets for clients who commit to the manager a minimum amount of assets established by that manager—a factor that MGP Wealth will take into account when recommending managers to clients.

A description of the criteria to be used in formulating an investment recommendation for mutual funds, exchange-traded funds, individual securities (including fixed-income securities), managers, and pooled investment vehicles is set forth below.

MGP Wealth has formed relationships with third-party vendors that

- provide a technological platform for separate account management
- prepare performance reports
- perform due diligence monitoring of mutual funds, managers, and pooled investment vehicles
- perform billing and certain other administrative tasks

MGP Wealth may utilize additional independent third parties to assist in recommending and monitoring individual securities, mutual funds, managers, and pooled investment vehicles to clients as appropriate under the circumstances.

MGP Wealth reviews certain quantitative and qualitative criteria related to mutual funds and managers and to formulate investment recommendations to its clients. Quantitative criteria may include:

- the performance history of a mutual fund or manager evaluated against that of its peers and other benchmarks
- an analysis of risk-adjusted returns

- an analysis of the manager's contribution to the investment return (e.g., manager's alpha), standard deviation of returns over specific time periods, sector and style analysis
- the fund, sub-adviser, or manager's fee structure
- the relevant portfolio manager's tenure

Qualitative criteria used in recommending mutual funds or managers include the investment objectives and/or management style and philosophy of a mutual fund or manager, a mutual fund or manager's consistency of investment style, and employee turnover and efficiency and capacity. MGP Wealth will discuss relevant quantitative and qualitative factors pertaining to its recommendations with clients prior to a client's determination to retain a mutual fund or manager.

Quantitative and qualitative criteria related to mutual funds and managers are reviewed by MGP Wealth on a quarterly basis or such other interval as mutually agreed upon by the client and the firm. In addition, mutual funds or managers are reviewed to determine the extent to which their investments reflect efforts to time the market, or evidence style drift such that their portfolios no longer accurately reflect the particular asset category attributed to the mutual fund or manager by MGP Wealth (both of which are negative factors in implementing an asset allocation structure). Based on its review, MGP Wealth will make recommendations to clients regarding the retention or discharge of a mutual fund or manager.

MGP Wealth may negotiate reduced account minimum balances and reduced fees with managers under various circumstances (for example, for clients with minimum level of assets committed to the manager for specific periods of time, etc.). There can be no assurance that clients will receive any reduced account minimum balances or fees, or that all clients, even if apparently similarly situated, will receive any reduced account minimum balances or fees available to some other clients. Also, account minimum balances and fees may significantly differ between clients. Each client's individual needs and circumstances will determine portfolio weighting, which can have an impact on fees given the mutual funds or managers utilized. MGP Wealth will endeavor to obtain equal treatment for its clients with mutual funds or managers, but cannot assure equal treatment.

MGP Wealth will regularly review the activities of mutual funds and managers selected by the client. Clients that engage managers or invest in mutual funds should first review and understand the disclosure documents of those managers or mutual funds, which contain information relevant to such retention or investment, including information on the methodology used to analyze securities, investment strategies, fees, and conflicts of interest. Similarly, clients qualified to invest in pooled investment vehicles should review the private placement memoranda or other disclosure materials relating to such vehicles before making a decision to invest.

A.2. Material Risks of Investment Instruments

MGP Wealth typically invests in mutual funds and exchange-traded funds; however, the firm may recommend or utilize independent third-party money managers to effect transactions in equity securities, corporate debt instruments, municipal fixed income instruments, government securities including asset-backed securities, and options on securities as detailed below:

- Equity securities
- Warrants and rights
- Mutual fund securities
- Exchange-traded funds
- Corporate debt securities, commercial paper, and certificates of deposit
- Municipal securities
- U.S. government securities
- Private placements
- Pooled investment vehicles
- Structured products
- Government and agency mortgage-backed securities
- Corporate debt obligations
- Mortgage-backed securities
- Collateralized obligations

A.2.a. Equity Securities

Investing in individual companies involves inherent risk. The major risks relate to the company's capitalization, quality of the company's management, quality and cost of the company's services, the company's ability to manage costs, efficiencies in the manufacturing or service delivery process, management of litigation risk, and the company's ability to create shareholder value (i.e., increase the value of the company's stock price). Foreign securities, in addition to the general risks of equity securities, have geopolitical risk, financial transparency risk, currency risk, regulatory risk and liquidity risk.

A.2.b. Warrants and Rights

Warrants are securities, typically issued with preferred stock or bonds, that give the holder the right to purchase a given number of shares of common stock at a specified price and time. The price of the warrant usually represents a premium over the applicable market value of the common stock at the time of the warrant's issuance. Warrants have no voting rights with respect to the common stock, receive no dividends and have no rights with respect to the assets of the issuer.

Investments in warrants and rights involve certain risks, including the possible lack of a liquid market for the resale of the warrants and rights, potential price fluctuations due to adverse market conditions or other factors, and failure of the price of the common stock to rise. If the warrant is not exercised within the specified time period, it becomes worthless.

A.2.c. Mutual Fund Securities

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual

company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

A.2.d. Exchange-Traded Funds (“ETFs”)

ETFs are investment companies whose shares are bought and sold on a securities exchange. An ETF holds a portfolio of securities designed to track a particular market segment or index. Some examples of ETFs are SPDRs[®], streetTRACKS[®], DIAMONDSSM, NASDAQ 100 Index Tracking StockSM (“QQQsSM”), iShares[®] and VIPERs[®]. The funds could purchase an ETF to gain exposure to a portion of the U.S. or foreign market. The funds, as a shareholder of another investment company, will bear their pro rata portion of the other investment company’s advisory fee and other expenses, in addition to their own expenses.

Investing in ETFs involves risk. Specifically, ETFs, depending on the underlying portfolio and its size, can have wide price (bid and ask) spreads, thus diluting or negating any upward price movement of the ETF or enhancing any downward price movement. Also, ETFs require more frequent portfolio reporting by regulators and are thereby more susceptible to actions by hedge funds that could have a negative impact on the price of the ETF. Certain ETFs may employ leverage, which creates additional volatility and price risk depending on the amount of leverage utilized, the collateral and the liquidity of the supporting collateral.

Further, the use of leverage (i.e., employ the use of margin) generally results in additional interest costs to the ETF. Certain ETFs are highly leveraged and therefore have additional volatility and liquidity risk. Volatility and liquidity can severely and negatively impact the price of the ETF’s underlying portfolio securities, thereby causing significant price fluctuations of the ETF.

A.2.e. Corporate Debt, Commercial Paper and Certificates of Deposit

Fixed income securities carry additional risks than those of equity securities described above. These risks include the company’s ability to retire its debt at maturity, the current interest rate environment, the coupon interest rate promised to bondholders, legal constraints, jurisdictional risk (U.S or foreign) and currency risk. If bonds have maturities of 10 years or greater, they will likely have greater price swings when interest rates move up or down. The shorter the maturity the less volatile the price swings. Foreign bonds also have liquidity and currency risk.

Commercial paper and certificates of deposit are generally considered safe instruments, although they are subject to the level of general interest rates, the credit quality of the issuing bank and the length of maturity. With respect to certificates of deposit, depending on the length of maturity there can be prepayment penalties if the client needs to convert the certificate of deposit to cash prior to maturity.

A.2.f. Municipal Securities

Municipal securities carry additional risks than those of corporate and bank-sponsored debt securities described above. These risks include the municipality's ability to raise additional tax revenue or other revenue (in the event the bonds are revenue bonds) to pay interest on its debt and to retire its debt at maturity. Municipal bonds are generally tax free at the federal level, but may be taxable in individual states other than the state in which both the investor and municipal issuer is domiciled.

A.2.g. U.S. Government Securities

U.S. government securities include securities issued by the U.S. Treasury and by U.S. government agencies and instrumentalities. U.S. government securities may be supported by the full faith and credit of the United States.

A.2.h. Private Placements

Private placements carry significant risk in that companies using the private placement market conduct securities offerings that are exempt from registration under the federal securities laws, which means that investors do not have access to public information and such investors are not provided with the same amount of information that they would receive if the securities offering was a public offering. Moreover, many companies using private placements do so to raise equity capital in the start-up phase of their business or require additional capital to complete another phase in their growth objective. In addition, the securities issued in connection with private placements are restricted securities, which means that they are not traded on a secondary market, such as a stock exchange, and they are thus illiquid and cannot be readily converted to cash.

A.2.i. Pooled Investment Vehicles

A pooled investment vehicle, such as a commodity pool or investment company, is generally offered only to investors who meet specified suitability, net worth and annual income criteria. Pooled investment vehicles sell securities through private placements and thus are illiquid and subject to a variety of risks that are disclosed in each pooled investment vehicle's confidential private placement memorandum or disclosure document. Investors should read these documents carefully and consult with their professional advisors prior to committing investment dollars. Because many of the securities involved in pooled investment vehicles do not have transparent trading markets from which accurate and current pricing information can be derived, or in the case of private equity investments where portfolio security companies are privately held with no publicly traded market, MGP Wealth will be unable to monitor or verify the accuracy of such performance information.

A.2.j. Structured Products

Structured products are designed to facilitate highly customized risk-return objectives. While structured products come in many different forms, they typically consist of a debt security that is structured to make interest and principal payments based upon various assets, rates or formulas. Many structured products include an embedded derivative component. Structured

products may be structured in the form of a security, in which case these products may receive benefits provided under federal securities law, or they may be cast as derivatives, in which case they are offered in the over-the-counter market and are subject to no regulation.

Investment in structured products includes significant risks, including valuation, liquidity, price, credit and market risks. One common risk associated with structured products is a relative lack of liquidity due to the highly customized nature of the investment. Moreover, the full extent of returns from the complex performance features is often not realized until maturity. As such, structured products tend to be more of a buy-and-hold investment decision rather than a means of getting in and out of a position with speed and efficiency.

Another risk with structured products is the credit quality of the issuer. Although the cash flows are derived from other sources, the products themselves are legally considered to be the issuing financial institution's liabilities. The vast majority of structured products are from high-investment-grade issuers only. Also, there is a lack of pricing transparency. There is no uniform standard for pricing, making it harder to compare the net-of-pricing attractiveness of alternative structured product offerings than it is, for instance, to compare the net expense ratios of different mutual funds or commissions among broker-dealers.

A.2.k. Government and Agency Mortgage-Backed Securities

The principal issuers or guarantors of mortgage-backed securities are the Government National Mortgage Association ("GNMA"), Fannie Mae ("FNMA") and the Federal Home Loan Mortgage Corporation ("FHLMC"). GNMA, a wholly owned U.S. government corporation within the Department of Housing and Urban Development ("HUD"), creates pass-through securities from pools of government-guaranteed (Farmers' Home Administration, Federal Housing Authority or Veterans Administration) mortgages. The principal and interest on GNMA pass-through securities are backed by the full faith and credit of the U.S. government.

FNMA, which is a U.S. government-sponsored corporation owned entirely by private stockholders that is subject to regulation by the secretary of HUD, and FHLMC, a corporate instrumentality of the U.S. government, issue pass-through securities from pools of conventional and federally insured and/or guaranteed residential mortgages. FNMA guarantees full and timely payment of all interest and principal, and FHMLC guarantees timely payment of interest and ultimate collection of principal of its pass-through securities. Mortgage-backed securities from FNMA and FHLMC are *not* backed by the full faith and credit of the U.S. government.

A.2.l. Corporate Debt Obligations

Corporate debt obligations include corporate bonds, debentures, notes, commercial paper and other similar corporate debt instruments. Companies use these instruments to borrow money from investors. The issuer pays the investor a fixed or variable rate of interest and must repay the amount borrowed at maturity. Commercial paper (short-term unsecured promissory notes) is issued by companies to finance their current obligations and normally has a maturity of less than nine months. In addition, MGP Wealth may invest in corporate debt securities

registered and sold in the United States by foreign issuers (Yankee bonds) and those sold outside the U.S. by foreign or U.S. issuers (Eurobonds).

A.2.m. Mortgage-Backed Securities

Mortgage-backed securities represent interests in a pool of mortgage loans originated by lenders such as commercial banks, savings associations, and mortgage bankers and brokers. Mortgage-backed securities may be issued by governmental or government-related entities, or by non-governmental entities such as special-purpose trusts created by commercial lenders.

Pools of mortgages consist of whole mortgage loans or participations in mortgage loans. The majority of these loans are made to purchasers of between one and four family homes. The terms and characteristics of the mortgage instruments are generally uniform within a pool but may vary among pools. For example, in addition to fixed-rate, fixed-term mortgages, MGP Wealth may purchase pools of adjustable-rate mortgages, growing equity mortgages, graduated payment mortgages and other types. Mortgage poolers apply qualification standards to lending institutions, which originate mortgages for the pools as well as credit standards and underwriting criteria for individual mortgages included in the pools. In addition, many mortgages included in pools are insured through private mortgage insurance companies.

Mortgage-backed securities differ from other forms of fixed income securities, which normally provide for periodic payment of interest in fixed amounts with principal payments at maturity or on specified call dates. Most mortgage-backed securities, however, are pass-through securities, which means that investors receive payments consisting of a pro rata share of both principal and interest (less servicing and other fees), as well as unscheduled prepayments as loans in the underlying mortgage pool are paid off by the borrowers. Additional prepayments to holders of these securities are caused by prepayments resulting from the sale or foreclosure of the underlying property or refinancing of the underlying loans. As prepayment rates of individual pools of mortgage loans vary widely, it is not possible to accurately predict the average life of a particular mortgage-backed security. Although mortgage-backed securities are issued with stated maturities of up to 40 years, unscheduled or early payments of principal and interest on the mortgages may shorten considerably the securities' effective maturities.

A.2.n. Collateralized Obligations

Collateralized mortgage obligations ("CMOs") are collateralized by mortgage-backed securities issued by GNMA, FHLMC or FNMA ("mortgage assets"). CMOs are multiple-class debt obligations. Payments of principal and interest on the mortgage assets are passed through to the holders of the CMOs as they are received, although certain classes (often referred to as "tranches") of CMOs have priority over other classes with respect to the receipt of mortgage prepayments. Each tranche is issued at a specific or floating coupon rate and has a stated maturity or final distribution date. Interest is paid or accrues in all tranches on a monthly, quarterly or semi-annual basis. Payments of principal and interest on mortgage assets are commonly applied to the tranches in the order of their respective maturities or final

distribution dates, so that generally no payment of principal will be made on any tranche until all other tranches with earlier stated maturity or distribution dates have been paid in full.

Collateralized debt obligations ("CDOs") include collateralized bond obligations ("CBOs"), collateralized loan obligations ("CLOs") and other similarly structured securities. CBOs and CLOs are types of asset-backed securities. A CBO is a trust that is backed by a diversified pool of high-risk, below-investment-grade fixed income securities. A CLO is a trust typically collateralized by a pool of loans, which may include, among others, domestic and foreign senior secured loans, senior unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade or equivalent unrated loans.

B. Investment Strategy and Method of Analysis Material Risks

MGP Wealth utilizes a long-term investment strategy for clients either through recommending a diversified portfolio of securities or by recommending a diversified suite of independent money managers to manage a variety of asset classes within the overall client portfolio. Although equity securities carry risk as described in Item 8.A.2. above, MGP Wealth tries to mitigate such risk through recommending to clients diversified portfolios of securities.

C. Concentration Risks

Although MGP Wealth recommends portfolio diversification, there is an inherent risk for clients whose investment portfolios lack diversification—that is, they have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

MGP Wealth has nothing to disclose for this item.

B. Administrative Enforcement Proceedings

MGP Wealth has nothing to disclose for this item.

C. Self-Regulatory Organization Enforcement Proceedings

MGP Wealth has nothing to disclose for this item.

Item 10: Other Financial Industry Activities and Affiliations

A. Broker-Dealer or Representative Registration

Neither MGP Wealth nor its affiliates are registered broker-dealers and do not have an application to register pending.

B. Futures or Commodity Registration

Neither MGP Wealth nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator, or commodity trading adviser and do not have an application to register pending.

C. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Other than as described in Item 12 of this Brochure, there are no material relationships maintained by this advisory business.

D. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

MGP Wealth does not recommend separate account managers or other investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

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

A. Code of Ethics Description

In accordance with the Advisers Act, MGP Wealth has adopted policies and procedures designed to detect and prevent insider trading. In addition, MGP Wealth has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of the firm's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the Chief Compliance Officer of the firm. MGP Wealth will send clients a copy of its Code of Ethics upon written request.

MGP Wealth has policies and procedures in place to ensure that the interests of its clients are given preference over those of the firm, its affiliates, and its employees. For example, there are policies in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

MGP Wealth does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, MGP Wealth does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

MGP Wealth, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which MGP Wealth specifically prohibits. MGP Wealth has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest,
- prohibit front-running, and

- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow MGP Wealth's procedures when purchasing or selling the same securities purchased or sold for the client.

D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

MGP Wealth, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other of the firm's clients. MGP Wealth will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation. It is the policy of MGP Wealth to place the client's interests above those of the firm and its employees.

Item 12: Brokerage Practices

A. Factors Used to Select Broker-Dealers for Client Transactions

A.1. Custodian Recommendations

MGP Wealth may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although MGP Wealth may recommend that clients establish brokerage accounts with Schwab, MGP Wealth is independently owned and operated and not affiliated with Schwab.

Schwab does not charge separately for custody services, but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through or that settle into Schwab accounts.

In certain instances and subject to approval by the firm, MGP Wealth will recommend to clients certain broker-dealers and/or custodians based on the needs of the individual client, taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by MGP Wealth will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities; as a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

A.1.a. Soft Dollar Arrangements

MGP Wealth does not utilize soft dollar arrangements. MGP Wealth does not direct brokerage transactions to executing brokers for research and brokerage services.

A.1.b. Institutional Trading and Custody Services

Schwab provides MGP Wealth with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services are generally available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at Schwab. These services are not contingent upon MGP Wealth committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or that would require a significantly higher minimum initial investment.

A.1.c. Other Products and Services

Schwab also makes available to MGP Wealth other products and services that benefit the firm but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of MGP Wealth's accounts, including accounts not maintained at Schwab. Schwab also makes available to MGP Wealth its managing and administering software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing, and other market data
- facilitate payment of MGP Wealth's fees from its clients' accounts
- assist with back-office functions, recordkeeping, and client reporting

Schwab also offers other services intended to help MGP Wealth manage and further develop its business enterprise. These services may include

- compliance, legal, and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants, and insurance providers

Schwab may make available, arrange, and/or pay third-party vendors for the types of services rendered to MGP Wealth. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to MGP Wealth. Schwab may also provide other benefits, such as educational events or occasional business entertainment of MGP Wealth personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, MGP Wealth may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers, and not solely the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

A.1.d. Independent Third Parties

Schwab may make available, arrange, and/or pay third-party vendors for the types of services rendered to MGP Wealth. Schwab may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to MGP Wealth.

A.2. Brokerage for Client Referrals

MGP Wealth does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

A.3. Directed Brokerage

A.3.a. MGP Wealth Recommendations

MGP Wealth currently recommends Schwab as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

A.3.b. Client-Directed Brokerage

Occasionally, clients may direct MGP Wealth to use a particular broker-dealer to execute portfolio transactions for their accounts or request that certain types of securities not be purchased for their accounts. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage MGP Wealth derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. MGP Wealth loses the ability to aggregate trades with other MGP Wealth advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

B. Aggregating Securities Transactions for Client Accounts

B.1. Best Execution

MGP Wealth, pursuant to the terms of the investment advisory agreement with clients, does not have discretionary authority.

B.2. Security Allocation

Since MGP Wealth may be managing accounts with similar investment objectives, MGP Wealth may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by MGP Wealth in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

MGP Wealth's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. MGP Wealth will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

MGP Wealth's advice to certain clients and entities and the action of the firm for those and other clients are frequently premised not only on the merits of a particular investment but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines, and circumstances. Thus, any action of MGP Wealth with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of the firm to or on behalf of other clients.

B.3. Order Aggregation

MGP Wealth does not aggregate orders because the firm is required to speak with each client and obtain their authorization prior to effecting any transactions.

B.4. Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs, and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

MGP Wealth acts in accordance with its duty to seek best price and execution and will not continue any arrangements if it determines that such arrangements are no longer in the best interests of its clients.

Item 13: Review of Accounts

A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

MGP Wealth, at its discretion, may prepare a customized written investment policy statement ("IPS") for a client. Each client account is reviewed periodically or as specified in the client's IPS. Reviews include an inspection of portfolio holdings, change in account values, and actual allocation of the account as compared to the recommended allocation. Reviews are conducted by MGP Wealth's Manager, Morgan Pearsall.

B. Review of Client Accounts on Non-Periodic Basis

MGP Wealth may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how the firm formulates investment advice.

C. Content of Client-Provided Reports and Frequency

MGP Wealth typically provides written reports to clients on a quarterly, semi-annual, or annual basis, depending on the client's preference. These reports include

- changes in market values
- current and historical time-weighted performance statistics
- comparison to an appropriate benchmark index

MGP Wealth will provide reports showing the investment performance of a client's account and a comparison of such account performance against relevant benchmarks. The client's independent custodian also provides regular account statements directly to the client. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by MGP Wealth.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Other than as described in Item 12 of this Brochure, MGP Wealth does not receive economic benefits from external sources.

B. Advisory Firm Payments for Client Referrals

MGP Wealth does not make payment for client referrals.

Item 15: Custody

Clients will receive at least quarterly account statements directly from their custodian containing a description of all activity, cash balances, and portfolio holdings in their accounts. MGP Wealth urges its clients to compare the account balance(s) shown on their MGP Wealth performance review to the quarter-end balance(s) on their custodian's monthly statement. The custodian's statement is the official record of the account.

Item 16: Investment Discretion

MGP Wealth does not take discretion on its advisory accounts.

Item 17: Voting Client Securities

MGP Wealth does not take discretion with respect to voting proxies on behalf of its clients. MGP Wealth will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election, or similar actions solicited by or with respect to issuers of securities beneficially held as part of the firm's supervised and/or managed assets. In no event will MGP Wealth take discretion with respect to voting proxies on behalf of its clients.

Item 18: Financial Information

A. Balance Sheet

MGP Wealth does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

MGP Wealth does not have any financial issues that would impair its ability to provide services to clients.

C. Bankruptcy Petitions During the Past Ten Years

There are no bankruptcy petitions to report.