

Commonwealth Financial Services, LLC Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of Commonwealth Financial Services, LLC. If you have any questions about the contents of this brochure, please contact us at 304-422-3531. 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.

Additional information about Commonwealth Financial Services, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Commonwealth Financial Services, LLC's CRD number is: 154369

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

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Commonwealth Financial Services, LLC on February 25, 2016 are described below. This list summarizes changes to policies, practices or conflicts of interests only.

- Commonwealth Financial Services, LLC has revised Item 6.A. and Item 9.B.

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Item 4: Services Fees and Compensation

Commonwealth Financial Services, LLC (hereinafter "CFS") offers the following services to advisory clients:

Commonwealth Financial Services, LLC has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$150,768,476.00	\$0	12/31/2015

A. Description of Services

CFS participates in and sponsors a wrap fee program for certain investment management service clients. This wrap fee program allows CFS to manage client accounts for a single fee that includes portfolio management services and custodial costs. We offer discretionary portfolio management services through our CFS Advisory Programs. Our investment advice is tailored to meet our clients' needs and investment objectives, and described below. The following services may also be included as part of the CFS Advisory Programs: advisory consulting services, institutional portfolio managers, strategic fixed income investing, customized asset selection, exchange traded funds, mutual funds, alternative investments, real estate funds and customized municipal bond portfolios

Our Wrap fee ranges for CFS Advisory Programs currently from 1.00% to 2.25%. The range is dependent on the allocation and the investment strategy used to manage the account. Reductions in the maximum fee occurs when the asset level exceeds \$500,000 with maximum fee of 2.00%; with an asset level of \$1,500,000, the maximum fee declines to 1.75%, and with account levels above \$3,000,000 the asset fee declines to 1.50%.

Our fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the advisory agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances. We will not increase our fees without notifying you in advance. We will deduct our fee directly from your account unless you request to be billed directly, through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should

review all statements for accuracy. We will also receive a duplicate copy of your account statements.

You may terminate the advisory agreement within five days from the date of acceptance without penalty to you. After the five-day period, either you or our firm may terminate the agreement upon written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

B. Contribution Cost Factors

Our firm offers the services provided under the Program separately. The benefits under a wrap fee program depend, in part, upon the size of the account, the management fee charged and the number of transactions likely to be generated in the account. For example, a wrap fee program may not be suitable for accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program fee and any other costs of the Program with the amounts that would be charged if you elected to invest outside the wrap fee program or the fees charged by other advisers, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Program.

In considering the investment programs described in this brochure, you should be aware that participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from other advisers or broker-dealers. Similar advisory services may be available from other registered investment advisers for lower fees.

C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, as part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. Mutual funds may also charge a redemption fee if a redemption is made within a specific time period following the investment; however, we do not recommend any mutual funds that charge redemption fees. Transactions in mutual fund shares (e.g., for rebalancing, liquidations, deposits or tax harvesting) may be subject to a fund's frequent trading policy. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These

charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the mutual fund fees, exchange traded fund fees, or brokerage fees/transaction charges imposed by the broker-dealer or custodian. Such fees may include, but are not limited to, sub-transfer agent fees, omnibus processing fees and networking fees, mutual fund or money market management fees and administrative expenses, mutual fund transaction fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, variable annuity expenses, other transaction charges and service fees, IRA and qualified retirement plan fees, alternative investment administrative fees, administrative servicing fees for trust accounts, creation and development fees or similar fees imposed by unit investment trust sponsors, hedge fund investment management fees, managed futures investor servicing fees, participation fees from auction rate preferred securities, and other charges. Our firm does not receive any portion of these fees.

D. Compensation of Client Participation

CFS and our Investment Adviser Representatives ("IARs") receive compensation as a result of your participation in the Program. This compensation may be more than the amount our firm or your IAR would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and your IAR have a financial incentive to recommend the Program.

Item 5: Account Requirements and Types of Clients

CFS offers investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

Minimum Account Size

There is an account minimum of \$15,000 to open and maintain an advisory account, which may be waived by the investment adviser. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

CFS will not select any outside portfolio managers for management of this wrap fee program. CFS will be the sole portfolio manager for this wrap fee program.

1. Standards Used to Calculate Portfolio Manager Performance

CFS will use industry standards to calculate portfolio manager performance.

2. Review of Performance Information

The registered investment advisors of our firm assigned to your accounts will monitor your accounts on an ongoing basis and will conduct account reviews at least annually. The account review will include, but not be limited to, analyzing your account allocation, your total return and dividend/income projections, your investment objectives and your risk tolerance. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- Client preference/request
- Contributions and withdrawals
- Year-end tax planning
- Market moving events
- Security specific events
- Changes in your risk/return objectives

We will not provide you with additional or regular written reports in conjunction with your account reviews. However, you will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from your account custodian(s).

B. Related Persons

Only CFS personnel, and otherwise no related persons act as a portfolio manager for the wrap fee program as described in this brochure. As such, there are no conflicts of interest with related persons and CFS will not select any related persons as portfolio managers for this wrap fee program that would create a conflict of interest.

C. Advisory Business

CFS offers investment supervisory services to its wrap fee program participants as detailed in Section 4 above.

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

CFS does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Services Limited to Specific Types of Investments

CFS generally limits its investment advice to exchange traded funds, and in some cases, equity securities. CFS may also offer advice on corporate debt securities, certificates of deposit, municipal securities, mutual funds, variable annuities, variable life insurance, US Government securities, and interest in partnerships investing in real estate, oil and gas interests. CFS may use other securities as well to help diversify a portfolio when applicable.

Client Tailored Services and Client Imposed Restrictions

Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you (either in person or via telephone conference) to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to propose an investment approach for you. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. Once you select an investment approach, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in the market conditions and in your financial circumstances.

Wrap Fee Programs

The CFS Advisory Program fees are based on a wrap fee program, which is a type of investment program that provides you with access to several money managers or mutual fund asset allocation models for a single fee that includes administrative fees, management fees, and commissions. You will pay our firm a single fee, which includes our money management fees, certain transaction costs, and custodial and administrative costs. We receive a portion of the wrap fee for our services. However, the wrap fee does not include mutual fund, index fund and/or exchange traded fund expenses which will be charged to you separately by the funds. Our firm does not receive any of these fees. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the program. A portion of the fees paid to the wrap account program will be given to CFS as a management fee.

Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and

specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Material Risks Involved

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to: the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment. Also, we could encounter a thinly traded market for an individual security, meaning that not enough buyers are present to support a current market price.

Exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-

term money market instruments, mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on ETFs can be reduced by the costs to manage the funds.

On rare occasions, we may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s) when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Long term purchases may be affected by unforeseen long term changes in the company in which you are invested or in the overall market. Short term trading generally involves a greater degree of risk than long term trading due to market volatility over a short period of time.

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Voting Client Proxies

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your

proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 7: Client Information Provided to Portfolio Managers

CFS personnel are the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by CFS. As that information changes and is updated, CFS will have immediate access to that information once collected.

Item 8: Client Contact with Portfolio Managers

CFS places no restrictions on client ability to contact its portfolio managers. CFS's representatives can be contacted during regular business hours and contact information is on the cover page of Todd E. Kimpel's Form ADV Part 2B brochure supplement.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-regulatory Organization (SR) Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

Some persons providing investment advice on behalf of our firm are registered representatives with LPL Financial Corporation ("LPL"), an unaffiliated registered investment adviser and broker-dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither CFS nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Some persons providing investment advice on behalf of our firm are registered representatives with LPL Financial Corporation (“LPL”), an unaffiliated registered investment adviser and broker-dealer. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Some persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

CFS does not utilize nor select other advisors or third party managers through its wrap program. All assets in its wrap program are managed by CFS management.

B. Code of Ethics, Client Referrals and Financial Information

Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of CFS may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of CFS to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CFS will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

The registered investment advisors of our firm assigned to your accounts will monitor your accounts on an ongoing basis and will conduct account reviews at least annually. The account review will include, but not be limited to, analyzing your account allocation, your total return and dividend/income projections, your investment objectives and your risk tolerance. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- Client preference/request
- Contributions and withdrawals
- Year-end tax planning
- Market moving events
- Security specific events
- Changes in your risk/return objectives

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

We will not provide you with additional or regular written reports in conjunction with account reviews. However, you will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from your account custodian(s).

Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

CFS does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CFS clients.

Compensation to Non – Advisory Personnel for Client Referrals

We directly compensate non-employee (outside) individuals and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires or a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this agreement with our firm. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We recommend that you request Solicitors to disclose to you whether multiple referral relationships exist and whether comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

Balance Sheet

CFS does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither CFS nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

CFS has not been the subject of a bankruptcy petition in the last ten years.