

Jeffrey Matthews Wealth Management, LLC

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This Brochure provides information about the qualifications and business practices of Jeffrey Matthews Wealth Management, LLC (“JMWM”). If you have any questions about the contents of this Brochure, please contact us at (888) 467-3636 and/or [info@jeffreymatthews.com](mailto:info@jeffreymatthews.com). 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.

Jeffrey Matthews Wealth Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information you can use in your determination to hire or retain an Adviser.

Additional information about Jeffrey Matthews Wealth Management, LLC is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This amendment reflects one material change in the operations of JMWM. Previously, JMWM stated that all advisory fees are charged in arrears. Certain money managers utilized by JMWM charge advisory fees in advance, therefore, JMWM will charge fees in advance when these managers are utilized. Other material changes that took place in the operations of JMWM are Stephen Cuccia assuming the position of Chief Compliance Officer in October 2016 and the position of Chief Financial Officer in March 2017. In addition, JMWM ceased being a State Registered Investment Advisor as of March 13, 2017 becoming a SEC Registered Investment Advisor.

Pursuant to new SEC 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. We may further provide other ongoing disclosure information about material changes as necessary.

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

Currently, our Brochure may be requested by contacting JMWM at (888) 467-3636 .

Additional information about Jeffrey Matthews Wealth Management, LLC 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 JMWM who are registered, or are required to be registered, as investment adviser representatives of JMWM.

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#### Item 4 – Advisory Business

Jeffrey Matthews Wealth Management, LLC was formed in September 2010 as a New Jersey limited liability company (“LLC”) and has been in business for approximately five years. The majority owner is Jeffrey Halpert. There are no other members that own 25% or more of the Company. The principal supervisor is Jeffrey Halpert and the Chief Compliance Officer is Stephen Cucchia. The firm provides three different types of advisory services. Each type of service addresses a unique client need and clients can participate in any one or all three of these services.

- Wrap Fee Program. The JMWM wrap fee program consists of the selection of, and investment in, both load and no-load mutual funds as well as non-fixed income individual securities such as equities, exchange traded funds, and/or options. The advisory representative will discuss with the client their investment objectives and risk tolerance to determine the type of asset allocation that will best suit their needs. The program may utilize a buy and hold strategy, an active trading strategy, or a combination of both strategies to achieve the investment objectives. Some of the tools that an advisory representative may use to make investment decisions could include Morningstar Principia, Bloomberg, and various periodicals. The risks involved include market risks, the risk that a fund manager may leave or modify his investment style, the risk that the advisory representative may not meet his stated objectives, and the risk that the asset allocation may be skewed away from better performing assets. Investing in securities involves the risk of the loss of some or all of the client’s principal and the client must be able to accept such risks before investing in the JMWM Wrap Fee Program.

The client will have the choice of designating the account as a discretionary account (letting the advisory representative choose which securities to purchase/sell, the amount to be purchased/sold, and the timing of the purchases/sales) or a non-discretionary account, which will require the advisory representative to obtain the client’s authorization prior to every purchase and sale. The minimum investment is \$25,000.

The wrap fee program is the only program whereby JMWM manages client assets. The money manager program noted below is a referral program whereby client assets are managed by an independent third party and JMWM refers the client to this manager. All fees related to the wrap fee program are earned by and retained by JMWM.

Where applicable, clients may impose restrictions on certain securities or types of securities involved in a Wrap Program. Such restrictions must be discussed and agreed to at the time the advisory relationship is started. Where the restrictions requested are impractical, the client will be informed and such request will not be honored.

- Money Manager Program. The JMWM money manager program provides clients with the opportunity to work with an advisory representative to select and invest with an independent third party money manager. JMWM clients can choose from a list of approved independent money managers, each offering a different asset allocation and investment objective. The minimum invest will depend on the choice of money manager.
- Financial Planning Program. The JMWM financial planning program entails an advisory representative meeting with a client to discuss their personal financial situation which may include saving for college, preparing for life after a divorce or death of a spouse, estate planning, or other significant life changing event. The services offered will be customized to the specific client and their circumstances. These services typically entail an in depth interview and analysis of the client's assets, liabilities, risk profile, and financial needs followed by a detailed plan for the handling of the client's assets. These meetings often include third parties such as attorneys or accountants, but such third parties are not always necessary. Any third party professional that is present will be independent of JMWM and any fees they charge will be negotiated between the client and the professional. JMWM will charge an hourly rate for its financial planning services. The rate is determined based on the complexity of the services required and is negotiable. A negotiable flat fee may also be available depending on the complexity of the plan. The standard rate is \$200 per hour. The fee for this service may be waived, or deducted from future fees, if a client elects to open an advisory account with JMWM or a securities brokerage account with The Jeffrey Matthews Financial Group, LLC (JMFG), a non-affiliated company that is under common control (please see Item 10 for a complete discussion of the relationship between JMWM and JMFG).

You should also be aware that: (i) a conflict exists between our interests and your interests, (ii) you are under no obligation to act upon our recommendation, and (iii) if you elect to act on any of our recommendations, you are under no obligation to effect any transactions through us.

JMWM began earning fees in the 3<sup>rd</sup> quarter of 2015. As of the date of this brochure, JMWM provides investment advisory services to clients in New York, New Jersey, Washington DC,

Alabama, Georgia, California, Connecticut, North Carolina, South Carolina, Texas, Wisconsin and Florida, has \$28.3 million in assets under management, \$21 million of which is managed on a non-discretionary basis. The specific manner in which fees are charged by JMWM is established in a client's written agreement with JMWM. A further description of fees and compensation is noted in Item 5 below.

## **Item 5 – Fees and Compensation**

Although the fees charged by JMWM are fully documented in the client's written agreement with JMWM, in general, for all advisory services other than the Financial Planning Program, JMWM charges a management fee based solely on assets under management. All of JMWM's advisory services are charged the same rate, which may be negotiable, based on the following assets under management categories:

\$ 25,000 - \$ 499,999	1.5%
\$ 500,000 - \$ 999,999	1.25%
\$1,000,000 and above	1.0%

The standard fee for JMWM's Financial Planning Services is \$200 per hour; however this fee is dependent on the complexity of the services provided and is negotiable. A flat fee may also be negotiated in place of the hourly fee.

JMWM advisory representatives earn a percentage of the fee charged by JMWM and do not charge any fees in addition to those specified herein.

For accounts managed by a RBC Capital Markets Investment Manager, unless otherwise specified, RBC will automatically deduct fees from the client account. The client has the option to deduct the funds from another account or to be billed directly. For accounts managed by JMWM we will either charge the account or bill the client directly.

The Wrap Fee Program may cost the client more or less than purchasing or selling the selected securities separately. Factors such as the types of securities purchased, the number of securities purchased, and the frequency or trading will have a material effect on which pricing structure is more advantageous to the client. Also, based on market and other conditions, the fees associated with this program will fluctuate and may be more cost effective in one period while they are more costly in others.

All mutual fund trades will be executed at the Net Asset Value (NAV) regardless of its classification as a load or no-load fund. This means that JMWM will not earn any sales loads or commissions on any mutual fund purchases. However, in addition to the advisory fees

noted above, JMWM may from time-to-time, receive other service fees from mutual funds companies commonly referred to as 12b-1 fees. These fees are typically .25%. JMWM may also receive a finder's fee (sales concession) of up to 1% on purchases of certain load mutual fund investments as fully described in the fund's prospectus, when a client's total holdings in a given mutual fund family equal or exceed \$1 million. Such finder's fees are typically earned on the purchase of load funds as fully disclosed in the fund's prospectus. From time-to-time load funds that pay the 1% finder's fee may be purchased if a similar no-load fund is not available, has not performed at an acceptable level, or any other reason that the advisor and client agree is acceptable for the purchase. Any finder's fees received will be applied to the overall account fee schedule so that the total fees earned on the account will not exceed the fee schedule noted above. The advisory fees noted above are subject to negotiation.

The client should be aware that a finder's fee paid on a mutual fund purchase is not deducted from the client's investment. However, if that investment is sold prior to a stipulated date, typically one year from the date of purchase, the client may be charged a 1% fee by the mutual fund company as a liquidation fee. This "chargeback" scenario could create a conflict of interest for the advisory representative. In certain investment climates, the advisory representative may be inclined to sell a particular mutual fund investment based on market conditions but he may temper his investment decision based on his knowledge that such liquidation could generate a 1% fee to the client. Since these mutual fund fees are dependent on the funds purchased, the advisory representative will discuss such fees with the client at the time the account is opened and/or at the time an affected mutual fund purchase is made.

Fees associates with the Money Manager Program will be deducted directly by the independent money manager who will pay JMWM its portion of the fee earned. The fee charged to the client will coincide with the rates noted above. Each independent money manager charges different rates and JMWM will receive the difference between the rate charged to the client and the rate paid to the money manager. Fees will be billed based on the requirements of the money manager as disclosed in the money manager's investment agreement.

JMWM will generally bill its advisory fees on a quarterly basis in arrears. Certain money managers require that advisory fees be paid in advance. Clients will be notified when fees will be charged in advance and the client agreement will reflect this arrangement. Clients may elect to be billed directly for fees or to have the fees directly debited from their client account. Fees shall be determined based on total account values as of the end of the billing quarter or based on the fee schedule provided by third party investment advisors. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee

or other fee arrangement as provided by third party investment advisors. Upon termination of any account, any earned, unpaid fees will be due and payable and any fees received in advance that are unearned will be promptly repaid within 10 business days. In addition, when new client funds are added or when a client requests a distribution from an advisory account, the quarterly advisory fee will be calculated on a prorated basis.

It is anticipated that all client accounts will be maintained at The Jeffrey Matthews Financial Group, LLC ("JMFG"), a full service securities broker-dealer registered with the SEC and FINRA, that maintains a clearing arrangement with RBC Correspondent Services, a division of RBC Capital Markets, LLC, ("RBC CS") whereby RBC CS processes and clears all JMFG client transactions and acts as custodian for all JMFG accounts. JMFG is a non-affiliated company under common control, which means that both JMWM and JMFG are owned by the same principals but neither company has any ownership interest in the other. Provided that JMWM clients maintain their account with JMFG, there will be no commission charges or transaction fees assessed by JMFG (see additional information under Item 12 – Brokerage Practices). JMFG clients, like those of other broker-dealers, may be charged certain fees associated with the maintenance or termination of an account, such as annual IRA administration fees, which are more clearly detailed in the client's written agreement.

Should a client elect to maintain their account with another broker-dealer, they may incur costs at that firm such as brokerage commissions, transaction fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions as well as certain charges imposed by custodians and third party investment advisors such as managerial fees and custodial fees.

Mutual funds, exchange traded funds and other investment company securities typically charge internal management fees, often classified as the expense ratio, which are disclosed in a fund's prospectus.

All transaction charges, fees and commissions charged by a JMFG will be deducted from the advisory fee charged by JMWM. For example, if JMFG charges a commission, postage and handling fee, or other trade execution fee, such fee will be paid by JMWM by deducting the fee from the quarterly advisory fee. Similar fees charged by other brokerage firms will not be deducted from the advisory fee charged by JMWM. Other fees such as annual maintenance fees, inactive account fees, account closing fees, account transfer fees, IRA annual fees, and any other non trade related fees charged by any brokerage firm are in addition to JMWM's fee and will not be deducted from JMWM's fee. JMWM shall not receive any portion of these fees except as herein noted or disclosed in the client's written



agreement. Neither JMWM nor any of its investment adviser representatives will ever earn or receive a commission on a JMWM advisory account.

JMWM does not pay a finder's fee for referring prospective clients or for accounts that are opened.

Lower fees for comparable services may be available from other sources.

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

JMWM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

JMWM provides the advisory services noted above to individuals, high net worth individuals, pension and profit sharing plans, charitable institutions, foundations, endowments, trust accounts and corporate accounts. The minimum account size is \$25,000 unless otherwise specified. There is no minimum account size associated with Financial Planning services.

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

- Wrap Fee Program. The JMWM wrap fee program consists of the selection of, and investment in, both load and no-load mutual funds as well as non-fixed income individual securities such as equities, exchange traded funds, and/or options. The advisory representative will discuss with the client their investment objectives and risk tolerance to determine the type of asset allocation that will best suit their needs. The program may utilize a buy and hold strategy, an active trading strategy, or a combination of both strategies to achieve the investment objectives. A buy and hold strategy consists of buys securities and holding them for a non-specified period of time. Typically these periods range from six months to a year or longer. The risk with this strategy is that the investment can be held too long and the market could move down resulting in a loss. In an active trading strategy, the securities will be

traded much more actively, sometimes in as short as one day, in order to capture immediate market movements. The risk with this strategy is that securities could be sold for a small gain or loss when a longer holding period could result in a better return based on market averages. Also, an active trading strategy could result in significant tax consequences as each sell will produce a short term gain or loss for tax purposes. Some of the tools that an advisory representative may use to make investment decisions could include Morningstar Principia, Bloomberg, and various periodicals. The risks involved include market risks, the risk that a fund manager may leave or modify his investment style, the risk that the advisory representative may not meet his stated objectives, and the risk that the asset allocation may be skewed away from better performing assets.

- Money Manager Program. The JMWM money manager program provides clients with the opportunity to work with an advisory representative to select and invest with an independent third party money manager. JMWM clients can choose from a list of approved independent money managers, each offering a different asset allocation and investment objective. There are no special tools utilized in selecting the third party money manager. The risks involved include market risks, the risk that a fund manager may leave or modify his investment style, and the risk that the money manager selected may not meet his stated objectives.

For all advisory products and services, clients must understand that investing in securities involves the risk of loss of principal that clients should be prepared to bear. In addition, all analyses performed, whether by JMWM, a third party manager, a mutual fund manager, or any other investment manager is subject to analytical biases of the person or entity performing the analysis. These analyses could exclude specific scenarios, could exclude pertinent data, or could be inaccurate for any number of reasons. Thus there is an inherent risk that even if the analytical results are followed, the desired investment results may not be met. As such, clients should be aware that, regardless of the amount of research and analytics performed, there is a significant risk that some or all of a client's principal could be lost.

- Financial Planning Program. The JMWM financial planning program does not involve investing and is not subject to market or other risks. Under this program, the financial adviser and any third party representatives (including attorneys or accountants) will solicit information from the client and evaluate their needs. JMWM and any third parties will prepare a report of recommendations which can be implemented through JMWM and the third party representatives or through any

persons or entities of the client's choice. There are no further obligations. The client is not required to implement the plan through JMWM or any other entity.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that could be material to your evaluation of JMWM or the integrity of JMWM's management. JMWM has no disciplinary history.

Jeffrey Halpert, President, CEO of JMWM has reported one regulatory action related to his position as the President and CEO of The Jeffrey Matthews Financial Group, LLC. Mr. Halpert was censured and fined \$1,000.00 by the NJ Department of Insurance as the result of an inadvertent failure to notify the NJ Department of Insurance of an acceptance, waiver and consent between The Jeffrey Matthews Financial Group, LLC and FINRA. There are also two reported customer complaints pertaining to Mr. Halpert. Both incidents are related to activities conducted as a broker-dealer registered representative and do not involve investment advisory activities. Specifically, two customers complained about a private placement of securities sold to them prior to 1996 through Halpert & Co., Mr. Halpert's previous employer. In both incidents Mr. Halpert was named as a control person and supervisor at Halpert & Co. Jeffrey Halpert was neither a control person nor a supervisor at Halpert & Co., a company owned and controlled by his father. Both claims were settled by Halpert & Co.

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

The members (owners) of Jeffrey Matthews Wealth Management, LLC are also members of The Jeffrey Matthews Financial Group, LLC, a full service securities broker-dealer registered with the SEC and FINRA. Each of the members is also a registered representative of JMFG. JMWM and JMFG are not affiliated since they are not owned by the same parent company and neither has an ownership interest in the other. In other words, neither company is the parent nor subsidiary of the other and they are not considered "sister" companies. Since both companies are owned separately by the same members, they are deemed to be companies under common control.

It is anticipated, although not required, that the clients of JMWM will maintain their investment advisory accounts at JMFG. This relationship does not create a conflict of interest since neither JMWM nor JMFG will financially benefit from this arrangement. In

fact, JMWM customers will benefit from this arrangement as JMFG has agreed to waive all brokerage commissions and transaction fees associated with any transactions executed in a JMFG account for a JMWM client.

Additionally, JMWM clients will further benefit from maintaining their investment advisory account with JMFG as it will provide an opportunity to participate in advisory products offered by RBC Capital Market, LLC. JMFG maintains a clearing arrangement with RBC Correspondent Services, a division of RBC Capital Markets, LLC, through which JMFG accounts are maintained by RBC Capital Markets, who provides all custody services. JMFG clients including JMWM clients have access to all products and services, including advisory services, offered by RBC Capital Markets.

An inherent conflict of interest exists for all clients of JMWM. Since all JMWM advisory representatives are also registered representatives of JMFG, the representative and client must decide whether to maintain an investment advisory account or a transactional brokerage account. The fees and costs associated with one type of account over the other may vary greatly based on the size of the account, the asset allocation within the account, and the level of trading activity in the account. These and other factors should be discussed with the representative prior to deciding which type of account is more advantageous to the client.

Since JMWM employees are also JMFG employees, JMWM and JMFG are physically domiciled at the same location and use the same phone numbers, fax numbers, and email addresses. The common use of these facilities and communication services should not be interpreted or misunderstood to infer that JMWM and JMFG are the same company or are affiliated, as fully explained above. Also, SEC and FINRA regulations require that all emails sent to JMFG be archived and are available to be reviewed by any regulatory body that has authority over the activities of JMFG. Clients of JMWM should understand that emails they send to their JMWM advisory representative will be so archived and available for regulatory review.

JMWM may recommend or select third party investment advisors, such as RBC Capital Markets, for its investment advisory clients. Any such arrangement will provide for the third party investment advisor making all investment decisions while JMWM shares in the total advisory fee paid by the client. Prior to recommending or selecting a third party investment advisor, JMWM will ensure that the investment advisor is properly registered to conduct the business.

A conflict of interest exists in the recommendation or selection of a third party investment advisor. Each investment advisor will have different fee schedules, different investment philosophies, different track records, different reports and systems to monitor

performance, etc. These differences can influence the selection of the third party investment advisor. When selecting a third party investment advisor, these differences will be disclosed to, and discussed with, the client to ensure any potential conflicts of interest are understood and minimized.

JMWM advisory representatives may be licensed in one or more states to sell insurance products through JMFG and will only sell insurance products in states where they are properly registered. Insurance products are not sold through JMWM and clients of JMWM are not required to purchase insurance products. The decision to purchase insurance products is independent of the decision to invest in investment advisory products or services.

Neither JMWM nor any management or registered person of JMWM is or will be a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of such an entity.

#### **Item 11 – Code of Ethics**

JMWM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition on rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at JMWM must acknowledge the terms of the Code of Ethics annually, or as amended.

JMWM anticipates that, in appropriate circumstances, consistent with a client's investment objectives, it will cause accounts over which JMWM has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which JMWM or its clients, directly or indirectly, have a position of interest. JMWM's employees and persons associated with JMWM are required to follow JMWM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of JMWM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for JMWM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of JMWM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that

these would materially not interfere with the best interest of JMWM's clients. In addition, the Code requires pre-clearance of many transactions, and may restrict trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Under the Code of Ethics, employee trading is continually monitored to reasonably prevent conflicts of interest between JMWM and its clients.

More specifically, neither JMWM nor any related party publishes recommendations for the purchase or sale of any securities. All recommended transactions are the result of independent research performed by the JMWM advisory representative and recommendations are made on a client by client basis. Since the firm is not making securities recommendations, there exists no conflict of interest that relates to recommended transactions. There may, however, be occasions where an advisory representative purchases or sells, on behalf of his own account or related accounts, the same security he is recommending to clients. When such transactions occur on the same day, the price paid by the advisory representative, for a purchase, or the price received by the advisory representative, for a sale, cannot be better than the price paid by or received by the client. Also, the advisor will disclose to his/her clients, in writing, any interest in any security that the financial advisor has prior to effecting transactions in that security for the client. This policy only applies to the JMWM Wrap Programs since transactions effected by independent money managers cannot be effectively monitored by JMWM and such transactions are not under the control of JMWM.

JMWM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Firm at (888) 467-3636.

It is JMWM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. JMWM will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## Item 12 – Brokerage Practices

As described above, it is anticipated, although not required, that the clients of JMWM will maintain their investment advisory accounts at JMFG. This relationship does not create a conflict of interest since neither JMWM nor JMFG will financially benefit from this arrangement. In fact, JMWM customers will benefit from this arrangement as JMFG has agreed to waive all brokerage commissions and transaction fees associated with any transactions executed in a JMFG account with a JMWM client.

JMWM does not receive any client referrals from JMFG in return for maintaining client accounts with JMFG. However, since the JMWM advisory representative is also a JMFG registered representative, by definition any client that was initially a client of JMFG prior to becoming a client of JMWM could be deemed a referral. Such referral is not a conflict of interest since client is being referred by the registered representative to himself as the advisory representative.

Additionally, JMWM clients will further benefit from maintaining their investment advisory account with JMFG as it will provide an opportunity to participate in advisory products offered by RBC Capital Market, LLC. JMFG maintains a clearing arrangement with RBC Correspondent Services, a division of RBC Capital Markets, LLC, through which JMFG accounts are maintained by RBC Capital Markets. JMFG clients including JMWM clients have access to all products and services, including advisory services, offered by RBC Capital Markets.

JMFG does not direct equity transaction order flow. All securities purchased in JMFG accounts, except fixed income securities, are transmitted to RBC Correspondent Services where they are executed at the best available prices. The fact that JMFG does not direct order flow may increase the cost of security purchases if such direction could have achieved a better execution price. Fixed income securities are typically not included in advisory accounts maintained at JMFG since an asset based fee will simply reduce the annual bond yield. However, for presentation purposes, a client may elect to include fixed income securities in their JMWM account maintained at JMFG. If a client makes this election, the value of the fixed income securities will be excluded from the total account value when determining the advisory fee.

Where appropriate, the advisory representative may aggregate the purchases or sales from multiple customers in one larger order in an attempt to achieve a better price for the

transaction. Under such circumstances all customers involved in the aggregated transaction will receive the same execution price. In most circumstances, larger orders can be handled in such a way as to provide the customer with a price advantage. However, there are occasions where such orders prevent immediate trade execution and could result in a less favorable price. We cannot know which trades will be advantaged or disadvantaged by order aggregation at the time the order is entered. We will aggregate all trades that we reasonably believe will provide the client with a price advantage.

Soft dollar transactions typically include paying a broker a commission that is slightly above the usual and customary institutional commission rate on select transactions in return for specified services or products such as proprietary research. JMWM does not participate in any soft dollar arrangements.

For clients that elect to use a brokerage firm other than JMFG, these clients should be aware that JMWM may not be able to achieve the most favorable executions for client transactions. JMWM will have no control over any brokerage costs, including transaction fees, which could result in higher fee that may negatively impact the clients' investment returns. For example, the client may pay higher brokerage commissions because JMWM may not be able to aggregate orders to reduce transaction fees or the client may receive less favorable prices.

### **Item 13 – Review of Accounts**

Client accounts are typically reviewed at least semi annually by the Chief Compliance Officer. Each review will be different depending on the whether the account is invested on a discretionary vs. non-discretionary basis and whether the account is managed by an advisory representative or a third party manager. In general the review will consist of examining the volume of activity, the types of securities purchased and sold, the overall risk of the portfolio, and return in relation to the markets. JMWM has determined that under typical circumstances, a minimum of six months of activity is required to determine if an unusual trading pattern has developed that requires further scrutiny. If however senior management becomes aware of an indicator that an account requires more frequent reviews, such as significant losses, high volume trading, the purchase of highly speculative securities, etc, management will review a client account as frequently as it deems necessary to ensure the firm is meeting its fiduciary obligations. No reports of such reviews, whether routine or based on specific indicators, will be provided to clients.



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

JMWM does not compensate clients or other third parties for referring potential new clients to the firm. In addition, advisory representatives do not receive extra compensation from any investment provider such as a mutual fund company or other advisory company for purchasing or selecting their product or service.

From time-to-time, representatives of investment companies (wholesalers) may make a presentation to the entire office to provide updates on their products. Such presentations may take place during lunch and the investment company may provide lunch to the entire office. From time-to-time, such wholesalers may also take select advisory representatives out to dinner. Investment companies also frequently provide advisory representatives with gifts of de-minimis value during the holiday season. Such gifts typically take the form of popcorn buckets, chocolate, or other holiday related items. JMWM maintains a strict policy not to allow any advisory representative to accept gifts that exceed \$100.00 in value, aggregating all gifts over the course of the calendar year. The value of lunches and dinners are not included in the \$100.00 limitation provided that the wholesaler is in attendance at the meal.

## **Item 15 – Custody**

Clients will receive account statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets on at least a quarterly basis. All client accounts maintained at JMFG are introduced on a fully disclosed basis to RBC Correspondent Services, a division of RBC Capital Markets, LLC, who provides all custody services.

Although JMWM does not maintain custody of client assets, with the express written permission of the client, clients have the option of having advisory fees withdrawn directly from their account to be paid to JMWM. With this permission, we will send the client and the custodian an invoice noting the quarterly fee amount based on the account value reflected on the custodian's statement. The custodian will not deduct the advisory fees without a copy of the invoice and the client's written authorization to deduct the fees from the advisory account.

JMWM urges you to carefully review all customer statements. If JMWM provides a separate statement, it is provided for investment return presentation purposes and is not considered an official record of your account assets. Please compare the official custodial records (account statements) to any investment return statements that we may provide to you. Discrepancies should be discussed with your advisory representative or Stephen

Cucchia, the Chief Compliance Officer. Our statements may vary from custodial statements due to accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

JMWM may receive discretionary authority from the client at the outset of an advisory relationship in order to select the identity and amount of securities to be bought or sold. Such discretion takes the form of a limited trading authorization signed by the client which allows the advisory representative to execute transactions in the client's account without the authority to withdraw assets from the account. Discretion is not required to open an advisory account with JMWM and in many cases it may not be preferable. The decision of whether an account should be managed on a discretionary basis is unique to each client and each account and should be discussed with the advisory representative. In all cases, however, when discretion is exercised, it must be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining the amount to be purchased or sold, the advisory representative must understand the investment objectives, risk tolerance, limitations and restrictions expressed by the client. For registered investment companies, JMWM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to JMWM in writing and are typically included in the advisory agreement between the client and JMWM.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, JMWM does not have any authority to, and does not, vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. JMWM may provide advice to clients regarding the clients' voting of proxies. Proxies will be provided to the client by the clearing firm that maintains custody of the clients' account.

## **Item 18 – Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about JMWM's financial condition. We have no financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients or creditors and we have not been the subject of a bankruptcy proceeding.

At the client's request, JMWM may exercise discretionary authority over a client's account. Under no circumstances will JMWM have custody of client funds or securities or require the prepayment of any fees.

## **Item 19 – Requirements for SEC-Registered Advisers**

Jeffrey Halpert is the majority owner of JMWM. Mr. Halpert is a graduate of Tulane University with a BS in Finance. He has been registered in the securities industry as a registered representative (financial advisor) since September 1991 and as a registered principal (supervisor) since October 1996. Mr. Halpert has supervised the securities activities of JMFG since its inception in 1996. Mr. Halpert spends all of his business hours fulfilling his sales, supervisory, and management obligations of JMFG and JMWM. In addition to Mr. Halpert's employment with JMFG and JMWM, Mr. Halpert was previously the President of Jeffrey Matthews Investment Group from February 1999 through December 2007. Jeffrey Matthews Investment Group was a registered investment advisor that was closed due to inactivity in December 2007.

Stephen Cucchia is JMWM's Chief Compliance Officer and Chief Financial Officer. Mr. Cucchia is a graduate of Staten Island Community College with a degree in Business Administration. He has been registered in the securities industry since November 1984 as a registered principal since April 1996 and as a Chief Compliance Officer since May 2010. Mr. Cucchia spends all of his business hours fulfilling his administrative and managerial responsibilities of JMFG and JMWM.

Neither JMWM, nor any of its owners, associated persons, or related parties has any relationship to any issuer of securities.

JMWM has conducted a thorough review of its business activities, policies, procedures, and practices and has disclosed all known conflicts of interest in this brochure.

JMWM and its representatives do not provide any services other than the advisory services noted in this brochure.

JMWM and its representatives do not charge performance based fees.

JMWM has not been named in any disciplinary actions or customer complaints. Specific information related to Jeffrey Halpert's disciplinary histories can be found in Item 9 above.