

## **LBI Wealth Management, LLC**

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**February 23, 2017**

**FORM ADV PART 2  
BROCHURE**

This brochure provides information about the qualifications and business practices of LBI Wealth Management, LLC. If you have any questions about the contents of this brochure, contact us at Maryann Bryla at 201-638-5256. 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 LBI Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for LBI Wealth Management, LLC is 155641.

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes. Since our last annual updating amendment dated February 18, 2016 there are no material changes to report.

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## Item 4 Advisory Business

### Description of Services and Fees

LBI Wealth Management, LLC, established in 2010, is a registered investment adviser based in Saddle River, New Jersey. Our firm is organized as a limited liability company under the laws of the State of Delaware. Maryann Bryla is our principal owner. Ms. Bryla is a senior financial executive with superior leadership experience in diversified, international publicly traded companies. Most recently, Ms. Bryla served as Senior Vice President of SEI Investment Company's Private Wealth Management Group. In this role, Ms. Bryla was responsible for delivering best of class financial advice and sophisticated solutions to ultra high net worth families, specializing in entrepreneurial business owners. Prior to joining SEI, Ms. Bryla served as the Chief Financial Officer and Treasurer of Lenfest Communications, Inc., a \$7.5 billion international media company and owner of Suburban Cable TV Co. In this role, Ms. Bryla was responsible for all global financing activities including raising over \$3 billion in financing, strategic planning, mergers and acquisitions, treasury, investor relations, SEC reporting, financial planning and analysis, regulatory compliance, and all corporate controller functions. Ms. Bryla also served as a member of the Board of Directors for Videopole, a Paris, France based cable television company. Ms. Bryla joined Lenfest from PNC Bank, where she held various leadership positions in the Corporate Banking Media Lending Division. Ms. Bryla began her career on Wall Street with Chase Manhattan Bank. After completing Chase's Management Development Program, Maryann was promoted to business leader of the Corporate Finance Loan Syndications Division. Ms. Bryla graduated from the University of Notre Dame and holds a Bachelor of Business Administration Degree in Finance.

We provide our clients with an extensive range of investment advisory services through our investment management programs, including wealth management, financial planning, discretionary and non-discretionary portfolio management, and review and selection of other advisors. Our integrated suite of services may be offered to clients on an all-inclusive or individual basis. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services based on an analysis of your financial situation, personal balance sheet complexities, and individualized needs.

### Wealth Management Services

We engage in ongoing wealth management services, the goal of which is to help you structure a multi-generational wealth management plan designed to grow, preserve and protect family assets for future generations. The process typically begins with an exploratory meeting during which we start the process of gathering pertinent information necessary to assist you in determining specific needs, goals, objectives and tolerance for risk. As required, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial data. Prior to proceeding, we will work with you to determine the scope of the services to be provided, and we will enter into an agreement for services.

Wealth management services may address subjects such as integrated tax and estate planning, trust arrangements, risk management, inheritance issues/transfer of wealth, financial and investment planning, cash flow, assets and liabilities, asset allocation, insurance needs, and educational planning. The assessment/analysis may be provided in segments after one or more working sessions with you. As part of this service, we will also meet periodically with you to discuss your financial strategy, and to implement this strategy by providing one or more of the advisory services described below.

### Portfolio Management Services

We typically offer discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your

behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, and/or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

In limited circumstances, we may also manage advisory accounts on a non-discretionary basis, meaning specific client consent must be granted prior to each transaction. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Predicated on suitability, we may also recommend third-party money managers and other wealth advisers (collectively "sub-adviser") for account management services. The sub-adviser may be retained to manage a portion of, or your entire portfolio. In doing so, our primary objective is to align you with the appropriate sub-adviser(s) to allow you to capitalize on opportunities that will strengthen or enhance your personal wealth. Under such arrangements, we will monitor the sub-adviser's performance and assume discretionary authority to hire and fire a sub-adviser and reallocate your assets, where such action is deemed to be in your best interest.

You may make additions to and withdrawals from your account at any time, subject to our right to terminate an account. You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

### **Financial Planning and Consulting Services**

We offer broad-based and consultative planning services as part of the Wealth Management relationship, which may include non-investment related matters. These services will typically involve providing a variety of advisory services to you regarding the management of your financial resources based upon an analysis of your individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. You are under no obligation to act on our financial planning recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

### **SEI Wealth Network**

We participate in the SEI WEALTH NETWORK program (the "Program") which offers life and wealth services to high net worth and ultra high net worth individuals through SEI Investments Management Corporation (a federally registered investment adviser and wholly-owned subsidiary of SEI Investments Management Corporation ("SIMC") and its affiliates. Through the Program, our firm and SIMC will provide to individuals, families, and businesses ("Clients") a holistic and integrated approach to assist in the management and matching of life and wealth goals through a variety of advisory and financial administration services delivered through our firm in tandem with SIMC and its affiliates. This Program features a life-goals based wealth advice process that includes financial administration and management, and a full range of implementations and programs in the areas of investment advice and portfolio management (including such implementations as goals based strategies, managed account programs and SEI's Asset Allocation Program), securities, custody and administrative services,

insurance, credit, trusts and estate planning services, philanthropy, long term care planning services, and other related services provided or procured through SIMC, its affiliates, and/or third parties (collectively, "Services"). The division of responsibility between our firm and SIMC may vary from Client to Client.

We have entered into an agreement with SEI Global Services, Inc., an affiliate of SIMC, to operate a business offering these services to you through the Program, and to receive services from SIMC and its affiliates in consideration for our payments and obligations as set forth in the agreement. The gross revenue generated from the sale of Services to Clients with whom we interact (whether received initially by our firm, SIMC or affiliates of SIMC), net of any amounts paid to third parties by SIMC or affiliates of SIMC for services provided to Clients, will be allocated between SEI Global Services, Inc. and our firm.

If it is determined that the services provided in the Program are suitable for you, we will enter into an agreement for services with you which sets forth the basic terms and conditions of the relationship. You are then provided with the SEI Wealth Network Program Services Brochure, which summarizes the services available to you as a Client of the Program. Additionally, disclosure brochures - Form ADV Part 2A - for SIMC and our firm are also provided to you in electronic or paper form. If the program that is recommended to you is a wrap fee program, you will also receive the Appendix 1 or equivalent wrap fee brochure specific to the wrap program.

### **Managed Account Program**

We participate in the Managed Accounts Program (the "Program"). To participate in the Program, our firm, SEI Investments Management Corporation ("SIMC") and the individual investors execute a tri-party agreement ("Managed Account Agreement") providing for the management of certain investor assets in accordance with the terms thereof. Pursuant to a Managed Account Agreement, you, as the investor, appoint our firm as your investment adviser to assist you in selecting an asset allocation strategy, which would include the percentage of your assets allocated to designated portfolios of separate securities (each, a "Managed Account Portfolio") and may include the percentage of assets allocated to a portfolio of mutual funds advised by SIMC or an affiliate of SIMC. You further appoint SIMC to manage the assets in each Managed Account Portfolio in accordance with a strategy selected by you together with our firm. SIMC may delegate its responsibility for selecting particular securities to one or more portfolio managers.

Under the Program, you receive investment advisory services, the execution of securities brokerage transactions, custody services and reporting services for a single specified fee. Participation in the Program may cost you more or less than purchasing such services separately. In addition, the Program fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs. The aforementioned fees may be subject to a discount.

Additionally, the Program offers a feature called Integrated Managed Accounts ("IMAP"), which is an enhancement to the standard Program. In IMAP, SIMC selects one sub-adviser to serve as a tax manager for the entire Managed Account Portfolio. Other sub-advisers recommend securities using buy/sell lists for their specific asset class to which the investor has selected. An integration fee will be charged to your account when you select the IMAP feature. The fee will cover the integration of the equity managers, which helps result in increased coordination across the equity account, increased tax efficiency and additional features such as wash sale prevention. These additional fees only apply to the equity portion of your account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or funds portion of your account (if any). A selection of your assets may receive a fee discount.

## **GoalLink - Integrated Managed Account Program**

We participate in the GoalLink Program ("GoalLink Program"). We offer the GoalLink Program to high net worth individuals, trusts, endowments, foundations and institutions. Through the GoalLink Program, our firm serves as the primary investor contact, responsible for analyzing your current financial situation, return expectations, risk tolerance, time horizon, and asset class preference. Using the GoalLink Presentation Tool, together with our client we select an investment strategy ("Strategy") which is then submitted and reviewed by a representative of SEI Investments Management Corporation ("SIMC"). The Strategy may include a combination of individual securities and mutual funds advised by SIMC (the "SEI Funds"), based upon your selected Strategy and account size.

To participate in the Program, our firm, SIMC and you, as the individual investor, execute a tri-party agreement ("Agreement") providing for the management of certain of your assets in accordance with the terms thereof. Pursuant to the Agreement, you appoint our firm as your investment adviser to assist you in selecting the Strategy. Based upon the selected Strategy, SIMC will have investment authority of the assets and will make prescribed adjustments to the Strategy weights based on the market environment at a point in time. However, you may, at any time, impose reasonable restrictions on the management of your account or choose a new Strategy. SIMC's investment authority is effective until changed or revoked in writing. SIMC may delegate its day-to-day responsibility for selecting particular securities to one or more sub-advisers.

Additionally, the GoalLink Program offers a feature called Integrated Managed Accounts ("IMAP"), which is an enhancement to the standard GoalLink Program, as described above. The fee for IMAP covers the integration of the equity managers, which helps result in increased coordination across the equity account, increased tax efficiency and additional features such as wash sale prevention.

## **Types of Investments**

We offer advice on equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, U.S. Government securities, options contracts on securities and commodities, and interest in partnerships investing in real estate, oil and gas interests, and others. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## **Assets Under Management**

As of December 31, 2016, we provide continuous management services for \$1,726,247,575 in client assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Advisory Fee**

Our advisory fees may consist of an asset-based management fee, a fixed annual retainer fee, or a combination thereof. Currently, our asset-based management fee is equal to an annual average rate of 1.00%, payable quarterly in arrears based on the value of your account on the last day of the quarter. Where an annual retainer fee is assessed, such fees are negotiable in advance of services rendered, predicated on the scope and complexity of the requested services, and are generally payable quarterly in arrears. However, we may require an initial deposit prior to starting the advisor/client relationship.



with the balance due and payable quarterly in arrears. For extraordinary services rendered outside the scope of the management agreement, we may assess additional fees that will be agreed to in advance of services rendered.

If the agreement for services 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. In special cases, our fees and fee paying arrangements may be negotiable; therefore, arrangements with existing clients may differ.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account 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. The qualified custodian has agreed to deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account including the amount of management fees paid directly to our firm. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements. Refer to the *Brokerage Practices* section below for additional disclosures.

Our agreement for services will continue in effect until terminated by either party. You may terminate the management agreement upon 30-days' written notice to our firm. 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. Generally, refunds are not applicable as our fees are payable quarterly in arrears. However, we expressly reserve the right to require an initial deposit prior to commencing the advisor/client relationship. Under such arrangements, and upon termination of the management agreement, you will receive a prorated return of any unearned fees to the date of termination.

For those clients who receive an invoice from our firm, we encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.

### **Managed Account Program**

Currently, our asset-based management fee is equal to an annual average rate of 1.00%, payable quarterly in arrears based on the value of your account on the last day of the quarter. If the agreement for services 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. In special cases, our fees and fee paying arrangements may be negotiable; therefore, arrangements with existing clients may differ.

SIMC's advisory fee schedule for the MAP Program is as follows:

The fees payable to SIMC for Large Cap Core/Transition Strategy:

0.85% for the first \$1 million  
0.80% for the next \$2 million  
0.75% for the next \$2 million  
Negotiable for above \$5 million



The fees payable to SIMC for U.S. Equity Core and Large Cap Core Strategy:

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for U.S. Large Cap Growth Strategy:

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for U.S. Large Cap Value Strategy:

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for Managed Volatility/Tax-Sensitive Managed Volatility:

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for U.S. Midcap Strategy:

1.10% for the first \$1 million  
1.00% for the next \$2 million  
0.90% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for U.S. Small Cap Strategy:

1.20% for the first \$1 million  
1.10% for the next \$2 million  
1.00% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for International Equity Strategy:

1.20% for the first \$1 million  
1.10% for the next \$2 million  
1.00% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for Active Municipal Bond Strategy:

0.70% for the first \$1 million  
0.65% for the next \$2 million  
0.60% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for Laddered Bond Strategy:

0.30% for the first \$500,000  
0.27% for the next \$500,000  
0.25% for the next \$1 million  
0.20% for the next \$3 million

The fees payable to SIMC for Core Fixed Income Strategy:

0.70% for the first \$1 million  
0.65% for the next \$2 million  
0.60% for the next \$2 million  
Negotiable for above \$5 million

SIMC may impose minimum account balances ranging from \$50,000 to \$1,000,000 depending upon the Managed Account Portfolio chosen and whether you select the tax management feature.

Under the Program, you receive investment advisory services, the execution of securities brokerage transactions, custody services and reporting services for a single specified fee. Participation in the Program may cost you more or less than purchasing such services separately. In addition, the Program fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs. The aforementioned fees may be subject to a discount.

Additionally, the Program offers a feature called Integrated Managed Accounts ("IMAP"), which is an enhancement to the standard Program. In IMAP, SIMC selects one sub-adviser to serve as a tax manager for the entire Managed Account Portfolio. Other sub-advisers recommend securities using buy/sell lists for their specific asset class to which the investor has selected. An integration fee will be charged to your account when you select the IMAP feature. The fee will cover the integration of the equity managers, which helps result in increased coordination across the equity account, increased tax efficiency and additional features such as wash sale prevention. These additional fees only apply to the equity portion of your account that is allocated to the integrated equities portfolio; the fees do not apply to the fixed income or funds portion of your account (if any). A selection of your assets may receive a fee discount.

The fees payable to SIMC for the IMAP feature are up to 0.15% for the first \$500,000 and 0.05 % for amounts in excess of \$500,000 in assets under management.

### **GoalLink - Integrated Managed Account Program**

The SEI Funds expenses are found in the Funds' prospectus, which you should read carefully before investing. For SIMC's fees on assets held in the separate accounts, the fees are determined based on the asset classes incorporated in your account. The following sets forth the fees charged by SIMC for each specific Strategy managed in the GoalLink Program.

The fees payable to SIMC for U.S. Large Cap Core/Tax Transition Strategy :

0.85% for the first \$1 million  
0.80% for the next \$2 million  
0.75% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for Large Cap Growth, Value and Core Strategy:

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for Managed Volatility/Tax-Sensitive Managed Volatility:

0.90% for the first \$3 million  
0.85% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for U.S. Mid Cap Strategy:

1.10% for the first \$1 million  
1.00% for the next \$2 million  
0.90% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for U.S. Small Cap Strategy:

1.20% for the first \$1 million  
1.10% for the next \$2 million  
1.00% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for International Equity Strategy:

1.20% for the first \$1 million  
1.10% for the next \$2 million  
1.00% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for Active Municipal Bond and Core Fixed Income Strategy:

0.70% for the first \$1 million  
0.65% for the next \$2 million  
0.60% for the next \$2 million  
Negotiable for above \$5 million

The fees payable to SIMC for Laddered Bond Strategy:

0.30% for the first \$500,000  
0.27% for the next \$500,000  
0.25% for the next \$1 million  
0.20% for the next \$3 million

The fees payable to SIMC for Time Focused Fixed Income Strategy:

0.30% for the first \$5 million  
Negotiable for above \$5 million

Currently, our asset-based management fee is equal to an annual rate of 1.00%, payable quarterly in arrears based on the value of your account on the last day of the quarter. If the agreement for services 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. In special cases, our fees and fee paying arrangements may be negotiable; therefore, arrangements with existing clients may differ.

Additionally, the GoalLink Program offers a feature called Integrated Managed Accounts ("IMAP"), which is an enhancement to the standard GoalLink Program, as described above. The fee for IMAP covers the integration of the equity managers, which helps result in increased coordination across the equity account, increased tax efficiency and additional features such as wash sale prevention.

The fees payable to SIMC for the IMAP Feature are up to 0.10% of the total account value (excluding zero coupon assets managed by SIMC).

Under the GoalLink Program, you receive investment advisory services, the execution of securities brokerage transactions, custody services, and reporting services for a single specified fee. Participation in the GoalLink Program may cost you more or less than purchasing such services separately. In addition, the GoalLink Program fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs.

SIMC's fees shall be a percentage of the market value of your account assets held in the Strategy. The annual fee for portfolio management services is billed quarterly in arrears based on the market value of client assets on the last day of the quarter.

### **Additional Fees and Expenses**

In addition to, and exclusive of, our investment advisory fees disclosed under the *Advisory Business* section above, you will also be charged brokerage commissions, transaction fees, and other related costs and expenses for trade execution. These transaction charges are paid to, and retained by, the account custodian for its clearance and execution services. We do not receive any portion of these commissions, fees, or costs. For information on our brokerage practices, refer to the *Brokerage Practices* section below of this Disclosure Brochure.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds (ETFs). 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 ETFs (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. 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 brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this Disclosure Brochure.

We may trade client accounts on margin. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create

a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we require a minimum of \$500,000 in investable liquid assets to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management, or where a smaller account is tied to a larger client relationship. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

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

- **Charting Analysis** - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- **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.
- **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.
- **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.
- **Short Sales** - a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

- **Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.
- **Option Writing** - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

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.

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). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

### **Risk of Loss**

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.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this Brochure, we recommend all types of securities and we do not necessarily recommend one particular type of security over another since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

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 economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.



Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same interest rate.

Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that's used to pay the dividends; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same dividend.

Certificates of deposit are generally the safest type of investment since they are insured by the federal government. However, because the returns are generally very low, it's possible for inflation to outpace the return. Likewise, US Government securities are backed by the full faith and credit of the United States government but it's also possible for the rate of inflation to exceed the returns.

Options and warrants give an investor the right to buy or sell a stock at some future time at a set price. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited. The main difference between warrants and call options is that warrants are issued and guaranteed by the issuing company, whereas options are traded on an exchange and are not issued by the company. Also, the lifetime of a warrant is often measured in years, while the lifetime of a typical option is measured in months.

A limited partnership is a financial affiliation that includes at least one general partner and a number of limited partners. The partnership invests in a venture, such as real estate development or oil exploration, for financial gain. The general partner does not usually invest any capital, but has management authority and unlimited liability. That is, the general partner runs the business and, in the event of bankruptcy, is responsible for all debts not paid or discharged. The limited partners have no management authority and confine their participation to their capital investment. That is, limited partners invest a certain amount of money and have nothing else to do with the business. However, their liability is limited to the amount of the investment. In the worst case scenario for a limited partner, he/she loses what he/she invested. Profits are divided between general and limited partners according to an arrangement formed at the creation of the partnership.

Mutual funds and 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, other 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 mutual funds and 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. ETFs 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 mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.



## Item 9 Disciplinary Information

Maryann Bryla, President and Chief Compliance Officer of LBI Wealth Management, LLC has been actively engaged in the financial services industry since June of 1988. Neither our firm nor Ms. Bryla has any disciplinary or arbitration history.

## Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

### Family Office Services

Maryann Bryla, President and CCO of LBI Wealth Management, LLC ("LBI"), is also the Managing Member of The Bryla Group, LLC, an affiliated company providing family office services.

The services offered, and compensation received by Ms. Bryla through The Bryla Group, LLC are separate and distinct from the advisory services provided and fees charged through LBI. Clients of LBI may also be clients of The Bryla Group, LLC.

### Recommendation of Other Advisers

We may recommend that you use a third party money manager ("TPMM") based on your needs and suitability. We will receive compensation from the TPMM for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPMM we recommend.

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Maryann Bryla at 201-638-5256.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Refer to the *Brokerage Practices* section in this Brochure for information on our block trading practices. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We maintain relationships with several broker-dealers; however, we will not make a specific brokerage recommendation to our clients. Where we provide independent portfolio management services, we will endeavor to assist clients in selecting those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. We do not obligate ourselves to seek the lowest transaction charges in all cases except to the extent that it contributes to the overall goal of obtaining the best results for your account. It is expected that our firm will receive some economic benefits, for example, research and access to investment consultants, from various full service and discount brokers in connection with utilizing their brokerage services.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

Some clients may instruct our firm in writing to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you will negotiate terms and arrangements for your account with the broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to aggregate trades with other client accounts (as described below at *Block Trades* ). As a result, you may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you. Subject to our duty to obtain best execution, we may decline your request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

**Block Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We combine orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

**Item 13 Review of Accounts**

For those clients to whom we provide investment management services, we monitor those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Maryann Bryla, President and Chief Compliance Officer of LBI Wealth Management, LLC, will conduct the reviews. You are encouraged to discuss your needs, goals, and objectives with our firm, and to keep us informed of any changes in this information. We will contact you at least annually to review the previous services provided and/or recommendations and to discuss the impact resulting from any changes in your financial situation and/or investment objectives. Additional reviews may be conducted at your request, or based on various circumstances, including, but not limited to, contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives.

## Item 14 Client Referrals and Other Compensation

We directly compensate non-employee (outside) consultants, 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 Disclosure 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 either 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 referral arrangement. 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 request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17 Voting Client Securities

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 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Requirements for State-Registered Advisers

The firm is SEC registered therefore this section does not apply.

## Item 20 Additional Information

### Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact Maryann Bryla, President and Chief Compliance Officer, at 201-638-5256, if you have any questions regarding this policy.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.