



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

### **Item 1**

#### **Confidant Wealth Advisory, Inc.**

**12520 High Bluff Drive, Suite 275  
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**October 11, 2011**

This Brochure provides information about the qualifications and business practices of Confidant Wealth Advisory, Inc. ("Confidant"). If you have any questions about the contents of this Brochure, please contact Marc Roland by email [marc@confidantadvisory.com](mailto:marc@confidantadvisory.com) or phone, 858.431.4430. 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.

Confidant 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 Investment Adviser provide you with information from which you determine to hire or retain an Investment Adviser.

Additional information about Confidant also is available on the SEC's website at <http://www.adviserinfo.sec.gov>. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Confidant is 158036.

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission (SEC) published “Amendments to Form ADV” which amends the disclosure document that we provide to our clients and prospective clients as required by SEC Rules. This Brochure dated August 1, 2011, is a new document prepared according to the SEC’s new requirements and rules.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

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 Marc Roland, Chief Compliance Officer, at 858.431.4430 or by email at [marc@confidantadvisory.com](mailto:marc@confidantadvisory.com). Our Brochure is also available on our website [www.confidantadvisory.com](http://www.confidantadvisory.com) also free of charge.

Additional information about Confidant is also available via the SEC’s website <http://www.adviserinfo.sec.gov>. The SEC’s website also provides information about any persons affiliated with Confidant who are registered, or are required to be registered, as investment adviser representatives of Confidant.

### **Item 3 -Table of Contents**

<b>Item No.</b>	<b>Item Description</b>	<b>Page Number</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	5
Item 6	Performance-Based Fees and Side-By-Side Management	6
Item 7	Types of Clients	6
Item 8	Methods of Analysis, Investments Strategies and Risk of Loss	7
Item 9	Disciplinary Information	9
Item 10	Other Financial Industry Activities and Affiliations	9
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Item 12	Brokerage Practices	10
Item 13	Review of Accounts	14
Item 14	Client Referrals and Other Compensation	14
Item 15	Custody	15
Item 16	Investment Discretion	15
Item 17	Voting Client Securities	15
Item 18	Financial Information	15
Item 19	Requirements for State-Registered Advisors	16

## **Item 4 – Advisory Business**

We were created out of the like-minded passion of the firm's principals, Marc Roland and Andrew Russell, to provide proactive, trusted, objective wealth management advice for high net worth families. Although Marc and Andrew each have over a decade of professional experience and have worked together for a number of years, they combined forces in August 2011 to create Confidant Wealth Advisory, Inc. (a California Corporation). Marc and Andrew each own 50 percent of Confidant.

We offer comprehensive wealth management services primarily to high net-worth individuals and families. In order to provide comprehensive services, we find it extremely important to work closely with you to ensure that we understand your goals. Through personal discussions and questionnaires, we try to understand, among other things, your long-term and short-term goals and objectives, risk tolerance, tax status, time horizon, cash needs, etc. Then together, we develop a strategic plan to get you where you want to go.

Our plan together typically includes holistically reviewing and making recommendations on some or all of the following:

- personal tax and cash flow planning;
- investment planning;
- estate planning;
- retirement planning;
- insurance planning; and
- educational funding;

In regards to the investment planning portion of the plan, once we understand your goals and objectives, we can then offer you an investment management strategy tailored to your personal needs. We emphasize the investment relationship between risk and return, and accordingly, help you determine your appropriate risk level. Ultimately, knowing your risk level, together we determine your overall investment mix, or asset allocation.

We manage your portfolio on a discretionary basis, meaning that we do not discuss trades with you beforehand. We select the specific securities to create your portfolio with the desired mix of assets. We typically use a mix of mutual funds, exchange-traded funds, individual bonds, cash-equivalents, and other instruments to create a diversified portfolio. As part of our service, we will keep an eye on investment performance and the investment markets, and will rebalance your assets among the mix of assets in keeping with your chosen asset allocation.

We consider our relationship a journey rather than a destination and work with you continuously as your goals and objectives and life situation changes. We adjust your strategic plan along the way to ensure that you are track.

Currently, we do not participate in or offer any wrap fee programs for our clients.

As of August 1, 2011, we managed \$0 in assets.

## **Item 5 – Fees and Compensation**

### **Fees for Initial or One-time Wealth Planning Services**

The specific manner in which wealth planning fees are charged is established in your written agreement with us. Case-by-case fees are negotiated to deal with your specific situation and planning. We then make an estimate of hours that it will take to complete your plan, based on the scope and complexity. The fixed fee is based on the number of hours estimated multiplied by the then hourly billing rates. Our hourly fees generally range from \$200 to \$300 per hour. Fixed fees generally range from \$500 to \$5,000. Fees are due and payable upon your receipt of our invoice. All fees are negotiable. It is possible that lower fees for comparable services may be available from other sources.

“Wealth planning services” may include but are not limited to financial planning, estate planning, tax planning, retirement planning, risk management, investment planning and philanthropy. While we have standard hourly billing rates for wealth planning, all fees are subject to negotiation.

### **Fees for Ongoing Wealth Planning and Investment Management Services**

The way we charge for ongoing wealth planning services and investment management services is established in your written agreement. We bill your fees quarterly, in arrears. Fees are calculated using the agreed-upon fee schedule applied to the value of the managed portfolio on the last day of the calendar quarter. Clients authorize us to directly debit the fees from specific client accounts designated by them. Fees are prorated for the first quarter in which you engage us based on the number of days from the effective date of the engagement agreement to the last day of the calendar quarter. A client engagement that terminates during a calendar quarter will be charged a prorated fee, which is due and payable on the day the agreement terminates. In the event that a client has prepaid fees, upon termination any prepaid, unearned fees will be promptly refunded.

We do not receive any fees or compensation related to the sale or purchase of securities or other investment products. Neither Confidant nor any of its employees or principals receives any commissions from sponsors of investments products.

We charge fees based on a standard fee schedule:

\$0 to \$1,000,000	1.0% annually*
\$1,000,001 to \$2,000,000	0.7% annually
\$2,000,001 to \$5,000,000	0.5% annually
\$5,000,001 to \$10,000,000	0.4% annually
\$10,000,001 to \$20,000,000	0.3% annually
\$20,000,001 to \$50,000,000	0.2% annually
\$50,000,001 and greater	0.1% annually

\*Minimum annual retainer fee - \$3,000

Example: if we are managing \$3,000,000 of assets for you, \$1,000,000 @ 1.0%, plus \$1,000,000 @ 0.7%, plus \$1,000,000 @ 0.5% would equal an annual average fee of 0.7%.

We believe our fees to be market-based and competitive; however, all fees are subject to negotiation. It is possible that lower fees for comparable services may be available from other sources.

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses charged by others and which are paid by you. You may incur certain charges imposed by custodians, brokers, third party investments and other third party activities such as fees charged by managers or custodians, 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. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in each fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to our fees, and we will not receive any portion of these commissions, fees, and costs.

Either we or you may terminate the Agreement at any time. Notice of termination may be given to the other party either verbally or in writing. You are responsible to pay for services rendered until the termination of the agreement. You can cancel the Agreement without penalty within the first five days after the signing of the Agreement.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, their commissions).

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

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) due to the inherent conflict of interest in charging fees in such a manner.

## **Item 7 – Types of Clients**

We provide investment advisory and financial planning services primarily to individuals and families. We also provide investment management services to pension plans, trusts, and charitable institutions, such as foundations that are often connected to, and created by individual clients. We do not have an absolute minimum for investment portfolios or a minimum account size.

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

We offer comprehensive wealth management services. We work with you to clarify and fully understand your current financial situation and goals. We then suggest an investment management program personalized to your needs and your ability to endure market changes. We help you select a standard, optimized portfolio and customize your investment allocation based on your personal circumstances.

Our investment advice is based on our long-term knowledge which include returns for, and risks to, various types of investments (asset classes): fixed income [bonds]; real estate; global public equity [stocks, of both large and small, and domestic and overseas companies that are traded on an exchange], natural resources/commodities, etc. We believe that worldwide investments can provide positive portfolio growth over the long term. We expect your portfolio's returns to compare favorably to the return produced by a portfolio of relevant benchmarks, and each investment's benchmark will be the return of a recognized investment index such as the S&P 500. This comparison to benchmarks is referred to as "relative performance." We do not expect a large part of your returns to come from the outperformance of individual investment managers compared to the standard index for those investments.

We use both internal analysis and research from third parties, including financial services firms, governments and quasi-governmental entities, academics, and non- governmental institutions for our expectations for returns and risks to various asset classes (large company domestic stock small company, and so forth) and then build investment portfolios which aim to have the lowest possible overall risk for a given level of expected return. This portfolio design considers how the various asset classes are expected to perform relative to each other, their correlations, as well as how a particular asset classes' risk relates to the other asset classes.

Our standard portfolios that target the lowest risk will more heavily weight bonds, while portfolios that target higher risk/return profile will focus on stocks and other asset classes which are expected to have a high return. Within each asset class, the allocations and implementation (managers, specific securities) are generally the same for portfolios with different risk and return targets; it is the overall asset allocations that differ.

We often use analytical tools to facilitate the comparison of investment performance of mutual funds, exchange traded funds and individual securities to standard market benchmarks. These analytical tools also facilitate asset allocation by computing the risk and return characteristics of portfolios of securities or indexes, given our assumptions about the risk and return of those portfolio elements. We also use numerous sources of information both public and private.

Our investment program includes allocation across asset classes, such as stocks, bonds, cash, strategy/manager selection within each class, execution of the strategy and monitoring the investments.

We actively review the investments chosen for you to make sure they are meeting our performance objectives. The majority of our investments are made using third party sub-advisors, including mutual funds, exchange traded funds, etc. We also may invest in certain individual securities.

We periodically rebalance client portfolios because studies show that this increases returns and/or lowers risk over the long-term. Rebalancing involves trading securities – buying some and selling others - in order to bring your portfolio back to your original asset mix. This is necessary because, over time, the distribution of your portfolio may become out of alignment with your investment goals. And, in the near term, you'll find that some of your investments will grow faster than others. You may experience some additional transaction costs due to this rebalancing. You also may suffer some lower returns if the assets sold have higher returns in the future than the ones being purchased.

### **Material Risks**

- Markets are unpredictable, and our analysis is not able to predict future investment returns.
- All investments can lose value and certain asset classes and/or specific securities which we choose may have poor returns for an extended period.
- A focus on long-term returns could cause us to ignore or be less concerned with near-term economic or market events.
- The investment managers we choose may underperform their benchmarks, resulting in a worse return than investing in a single index fund or a portfolio of index funds.
- While we believe our approach will result in a lower tax bill than a traditional actively managed portfolio, our portfolios may incur higher taxes than an index fund, making any of our managers' underperformance of the benchmarks worse.

### **Risk Reduction**

Investing in stocks, bonds, and other types of investments inherently involves a certain level of risk. No matter how well designed a portfolio is, it contains some potential for losing value. We therefore employ certain techniques in assisting clients to manage that risk, such as:

- Investing in a variety of asset classes which react differently to the irregular, unpredictable up and down movements in the economy, both in the US and internationally.
- Allocating assets across asset classes which react differently to the business cycle (an ongoing cycle of growth, decline, recession, and recovery in the economic activity of a particular economy), rather than relying completely on statistical measures of risk (like correlation).
- Constantly monitoring and attempting to reduce fees and expenses (e.g., negotiating trading fees and margin rates with custodians).

Investing in securities involves risk of loss that clients should be prepared to bear.



## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of us, or the integrity of our management. We have no information applicable to this Item. Neither we as a firm nor any of our Investment Adviser Representatives has been subject to any disciplinary action as of the date of this brochure.

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

Neither we, our affiliates, nor any of our employees or principals are registered as a broker dealer or has any plans to register. Additionally, none of these parties is registered or plans to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor. We are only in the business of providing wealth management services to our clients.

## **Item 11 – Code of Ethics**

We have adopted a Code of Ethics for all employees 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, prohibition of insider trading, 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 of our employees must acknowledge the terms of the Code of Ethics annually, or as amended.

Our Code of Ethics requires, among other things, that employees:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of the firm above one's own personal interests;
- Adhere to the fundamental standard that an employee or advisor should not take inappropriate advantage of his or her position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on oneself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve one's professional competence and strive to maintain and

- improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

Our Code of Ethics also requires employees to: 1) pre-clear certain personal securities transactions, 2) report personal securities transactions on at least a quarterly basis, and 3) provide the firm with a detailed summary of certain holdings and securities accounts (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

A complete copy of our Code of Ethics is available to you (or any prospective client) upon request.

Our employees and persons associated with us are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, our officers, directors and employees may trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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 our clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading ahead of client trading activity. Nonetheless, because the Code of Ethics permits 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. Employee trading is regularly monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between us and our clients.

## **Item 12 – Brokerage Practices**

### **The Custodians and Brokers We Use**

We do not maintain custody of your assets that we manage or advise on, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker- dealer or bank. We generally recommend that our clients use TD Ameritrade (TD Ameritrade Institutional, a division of TD Ameritrade, Inc., a FINRA-registered broker-dealer, member SIPC) referred to below as “Recommended Custodian”. We are independently owned and operated and are not affiliated with any custodian. The custodian will hold your assets in a brokerage account, and buy and sell securities when we instruct them to. While we suggest that you use the previously mentioned custodian/broker, you will decide whether to do so and will open your account by entering into an account agreement directly with them. We do not open the account for you, although we assist you in doing so. Even though your account is maintained at a particular custodian, we can still use other brokers to execute trades for your account as described below (see Your Brokerage and Custody Costs below).

## **How We Select Brokers/Custodians**

We seek to select a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate prices they charge you
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see *“Products and Services Available to Us From Custodian”*)

## **Your Brokerage and Custody Costs**

For our clients’ accounts that a Recommended Custodian maintains, the Custodian generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your account. Commission rates are reviewed no less than annually as part of our review of custodians and broker dealer services (“best execution review”).

In addition to commissions, our Recommended Custodians generally charge you a flat dollar amount as a “prime broker” or “trade away” fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your account at the Custodian. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have the Custodian where your account is held execute most trades for your account. We have determined that having the Custodian where your accounts are held execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see How We Select Brokers/Custodians above).

The following is a more detailed description of support services we receive from one or all of our Recommended Custodians:

### *Services That Benefit You*

Our Recommended Custodian's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through the Custodians include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. The services described in this paragraph generally benefit you and your account.

### *Services That May Not Directly Benefit You*

Our Recommended Custodians also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both the Custodian's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at a Recommended Custodian or the particular Custodian the research. In addition to investment research, our Recommended Custodians also make available software and other technology that:

- Provide us with access to your account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### *Services That Generally Benefit Only Us*

Our Recommended Custodians also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

The Custodian may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Custodians may also discount or waive fees for some of these services or pay all or a part of a third party's fees. Custodians may also provide us with other benefits, such as occasional business entertainment of our personnel, and may make occasional contributions to charitable organizations with which we, our employees and/or their families have a relationship.

### **Recommended Custodians - Products and Services Available to Us**

They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to

retail customers. They also make available various support services. Some of those services help us manage or administer your accounts, while others help us manage and grow our business. Support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us.

### **Our Interest in Custodian Services**

The availability of these services from our custodian benefits us because we do not have to produce or purchase them. Beyond that, these services are not contingent upon us committing any specific amount of business in trading commissions or assets in custody. The benefits we receive, that you may also benefit from, may give us an incentive to recommend that you maintain your account with them, based on our interest in receiving services that benefit our business rather than based solely on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of custodians and brokers is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of services (see How We Select Brokers/Custodians above) and not services that benefit only us.

### **Soft Dollars**

We may receive services that benefit only us, but we do not have any formal arrangement with and do not feel that this is a material conflict of interest.

### **Valuation**

We will value securities in your accounts that are listed on a national securities exchange or on NASDAQ at the last quoted sales price on the principal market where the securities are traded. We receive this information from your qualified custodian.

### **Trade Errors**

From time-to-time, but rarely, we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of the account in which the error occurred. We attempt to minimize trade errors by promptly performing electronic reconciliation procedures with order tickets and intended orders, and by reviewing past trade errors to understand whether internal control breakdowns, if any, caused the errors. Trading errors will be corrected at no cost to you.

Broker-dealers may not be permitted to assume responsibility for trade error losses caused by us. Nor may there be any reciprocal arrangements with respect to the trade in question or any subsequent trade to encourage the broker to assume responsibility for such losses. We will reimburse accounts for losses resulting from trade errors, but will not credit accounts for market losses unrelated to its error, or its error resulting in market gains. The gains and losses are reconciled by the custodian within our trade error settlement accounts.

### **Directed Brokerage**

If you restrict us to using a particular broker-dealer (or direct us to use a particular broker-dealer) for executing their transactions, you will generally be unable to participate in aggregated orders and will be precluded from receiving the benefits, if any, of an

aggregation which other clients may receive. In addition, our clients that direct brokerage transactions to a particular broker-dealer may be disadvantaged because they may not obtain allocations of new issues of securities purchased by us through other brokers-dealers. We will generally execute aggregated orders for “non-directed” clients (those who use our recommended custodians noted above) before we execute orders for clients that direct brokerage. We may also execute trades for non-directed clients through the same broker-dealer to which other clients direct brokerage.

Under certain circumstances, you may receive different pricing for the same security on the same day compared to pricing received by another client in order to accommodate your needs or another client’s specific needs or instructions to us. Additionally, our clients being served primarily from one office could receive a different price for the same security on the same day as a client being served from another office. While we extend our best efforts to provide aggregated execution across offices as well as within the same office, client circumstances and/or the trade approval and execution process may not always allow for that to occur.

### **Item 13 – Review of Accounts**

All your accounts are regularly reviewed to ensure that your investment allocation is aligned with your individual circumstances and is consistent with our assessment of market conditions. General conditions in the stock and bond markets are monitored, and assessed from both a short-term and long-term perspective.

Reviews are triggered by events like big changes in your financial circumstances and significant changes in conditions in the stock and bond markets, such as large price movements, big economic surprises, and abnormal or unusual trading volumes. Reviews of your accounts are also triggered by significant changes in the management or policies of other investment vehicles such as mutual funds, or individual securities.

Accounts are reviewed by either Marc Roland or Andrew Russell, the Cofounders of the firm. There are no set minimums or maximums limiting the number of accounts that a Wealth Manager can review.

Your accounts are reviewed to confirm that your recommendations and investment plans are consistent with your financial goals, and are appropriately designed to help achieve those objectives. Periodic on-going reviews are conducted on an “as needed” basis depending on your needs and the nature of the financial issue. We expect to meet with you at least once annually, but more often quarterly, as well as have other contact by voice or email more frequently throughout the year.

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

We often receive referrals from our existing clients, as well as from other professional service providers, such as lawyers and accountants. While this might provide incentive for us to discount fees for clients who refer business to us, it is our strict policy not to do

so. Referrals from other professional service providers could cause us to want to return the referrals, however we are careful to refer our business, and that of our clients, in as unbiased a way as possible. We therefore frequently provide multiple names when asked for referrals to professional service providers. None of these individuals or firms is compensated in any way for providing client referrals.

## **Item 15 – Custody**

You should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains your investments. We urge you to carefully review such statements and compare such official custodial records to the information we provide to you such as our quarterly performance reports. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. We are happy to investigate any differences you encounter, and encourage you to inform us of such discrepancies. We encourage you to ask questions about any discrepancies that you identify.

## **Item 16 – Investment Discretion**

We usually receive discretionary authority from our clients at the outset of an advisory relationship; this makes us responsible for selecting the identity and amount of securities to be bought or sold in your accounts. In all cases, however, such discretion is to be exercised in a manner consistent with your stated investment objectives.

When selecting securities and determining amounts, we observe the investment policies, limitations and restrictions that you and we have discussed and agreed upon. We document those policies and investment guidelines and agree to, and which we both sign.

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

As a matter of firm policy and practice, we do not have any authority to, and do not, vote proxies on your behalf. You retain the responsibility for receiving and voting proxies for any and all securities maintained in your investment portfolio. We may provide advice to you regarding the voting of proxies; however we shall not be deemed to have voting authority with respect to such shareholder matters as a result of providing such advice.

## **Item 18 – Financial Information**

Registered investment advisers are required to provide certain financial information or disclosures about their financial condition. We are required to let you know if we have discretionary authority, have custody of funds or solicit prepayment of more than \$500 in fees per client. We do have discretionary authority over our clients' accounts, but do not have custody nor solicit any prepayment.

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State-Registered Advisors**

The following are the principal executive officers and management persons of the firm:

Name: Marc Robert Roland  
Born: 1971

Formal Education after High School:

- MS - Accountancy from SDSU (Graduated in 2002)
- MS - Business Administration from SDSU (Graduated in 2000)
- Professional Certificate – Financial and Tax Planning (2002)
- BS – Civil Engineering from Cal Poly – San Luis Obispo (Graduated in 1994)

Business Background for the previous 5 years:

- Confidant Wealth Advisory, Inc. San Diego, CA, Cofounder and Chief Compliance Officer, Aug 2011 to present.
- Hokanson Associates, Inc. Solana Beach, CA, Director of Financial Planning, Aug 2003 – Aug 2011

Name: Andrew Charles Russell  
Born: 1973

Formal Education after High School:

- MS – Business Administration (Accountancy) from Sacramento State University (Graduated in 2010)
- Professional Certificate – Financial and Tax Planning (2003)
- BA – Public Administration (Graduated in 1999)

Business Background for the previous 5 years:

- Confidant Wealth Advisory, Inc. San Diego, CA, Cofounder, Aug 2011 to present.
- Hokanson Associates, Inc. Solana Beach, CA, Senior Financial Planner, Aug 2003 – Aug 2011

We must disclose if we are engaged in any other business other than giving investment advice. We are only in the business of wealth management (giving investment advice) and are not actively engaged in any other business.

We must disclose if we are compensated by performance based fees (paid for a



percentage of gains of the account). We do not charge any performance-based fees.

We are required to disclose if any management person has been involved in one of the events listed below:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving:
  - an investment or investment related business activity;
  - fraud, false statement(s), or omissions;
  - theft, embezzlement, or other wrongful taking of property
  - bribery, forgery, counterfeiting, or extortion; or
  - dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory, organization, or administrative proceeding involving any of the following:
  - an investment or investment related business activity;
  - fraud, false statement(s), or omissions;
  - theft, embezzlement, or other wrongful taking of property
  - bribery, forgery, counterfeiting, or extortion; or
  - dishonest, unfair, or unethical practices.

We have nothing to disclose in regards to the above.

We are required to disclose any relationship or arrangement that our firm or any of our management persons have with any issuer of securities. We do not have any relationship with any issuer of a security.