

# Ann T. Coffey Wealth Management LLC d/b/a Coffey Private Wealth Management Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Ann T. Coffey Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (713) 333-8900 or by email at: [ann.coffey@coffeywealthmanagement.com](mailto:ann.coffey@coffeywealthmanagement.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Ann T. Coffey Wealth Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Ann T. Coffey Wealth Management LLC's CRD number is: 160423*

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

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## **Item 2: Material Changes**

Ann T. Coffey Wealth Management LLC has not yet filed an annual updating amendment using the Form ADV Part 2A. Therefore there are no material changes to report.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Ann T. Coffey Wealth Management LLC is a Limited Liability Company organized in the state of Nevada. The firm was formed in August of 2012, and the principal owner is Ann T. Coffey.

### B. Types of Advisory Services

Ann T. Coffey Wealth Management LLC (hereinafter “CWM”) offers the following services to advisory clients:

#### *Investment Supervisory Services*

CWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. CWM creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- |                       |                                |
|-----------------------|--------------------------------|
| • Investment strategy | • Personal investment policy   |
| • Asset allocation    | • Asset selection              |
| • Risk tolerance      | • Regular portfolio monitoring |

CWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. CWM may request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is developed with and delivered to each client.

#### *Financial Planning*

Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on fixed fees and the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

### ***Services Limited to Specific Types of Investments***

CWM generally limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, REITs, insurance products including annuities, private placements, and government securities and asset classes. CWM may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

CWM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent CWM from properly servicing the client account, or if the restrictions would require CWM to deviate from its standard suite of services, CWM reserves the right to end the relationship.

### **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. CWM does not participate in any wrap fee programs.

### **E. Amounts Under Management**

CWM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$36,000,000.00	\$79,800,000.00	12/31/2012

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
First \$1,000,000	1.25%
\$1,000,001 - \$3,000,000	1.00%
\$3,000,001 - \$5,000,000	0.80%
\$5,000,001 - \$10,000,000	0.70%
\$10,000,001 - \$25,000,000	0.60%
\$25,000,001 - \$50,000,000	0.50%
Above \$50,000,000	Negotiable

These fees are negotiable depending upon the needs of the client and complexity of the situation, and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

#### *Financial Planning Fees*

##### *Fixed Fees*

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$5,000 and \$25,000. Fees are paid in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. Fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Fees are paid in advance, but never more than six months in advance, with any additional unpaid balance due upon the presentation of the plan.

Clients may terminate their contracts without penalty within five business days of signing the advisory contract. In the event a financial planning arrangement is terminated after that time, fees already paid but unused will be refunded based on the prorated amount of work completed at the time of termination. Any fees prorated and

refunded will be calculated as the balance of the fees collected in advance, minus the hourly rate times the number of hours or work that has been completed up to and including the day of termination.

## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly in arrears.

Advisory fees may also be invoiced and billed directly to the client monthly in arrears. Clients may select the method in which they are billed.

### ***Payment of Financial Planning Fees***

Fixed Financial Planning fees are paid via check in advance, but never more than six months in advance, with the remainder due upon presentation of the plan. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CWM. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

CWM collects fees in advance and in arrears. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via mailed check.

## **E. Outside Compensation For the Sale of Securities to Clients**

First Middle Last in her role as a license insurance agent may accept compensation for the sale of securities to CWM clients.

### ***1. This is a Conflict of Interest***

The supervised persons will accept compensation for the sale of securities or other investment products, including asset based sales charges or service fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the



supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation, they will document the conflict of interest in the client file and inform the client of the conflict of interest.

***2. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase CWM recommended products through other brokers or agents that are not affiliated with CWM.

***3. Commissions are not the Primary Source of Income for AAA***

Commissions are not CWM's primary source of compensation.

***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

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

## **Item 7: Types of Clients**

CWM generally provides investment advice and management supervisory services to the following types of clients:

- ❖ High-Net-Worth Individuals
- ❖ Trusts, Estates, or Charitable Organizations

### ***Minimum Account Size***

There is an account minimum, \$1,000,000, which may be waived at the discretion of the investment advisor, based on the total relationship with the client, the needs of the client and the complexity of the situation.

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

## A. Methods of Analysis and Investment Strategies

### *Methods of Analysis*

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

### *Investment Strategies*

Based upon the investment objectives and risk tolerance of the client, CWM will develop asset allocation strategies involving a variety of asset classes, investment vehicles and implementation strategies. While most investment strategies will be long term in nature, CWM may use both long term and short term strategies, though most strategies will be long term in nature.

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

## B. Material Risks Involved

### *Methods of Analysis*

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

### *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

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

## C. Risks of Specific Securities Utilized

CWM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss. Mutual funds are not guaranteed or insured by the FDIC or any other government agency. You can lose money investing in mutual funds. All mutual funds have fees and costs that can lower investment returns. The universe of available mutual funds involves a wide array of investment strategies and underlying securities. These include, but are not limited to, "fixed Income" mutual funds which typically invest in bonds and/ or income producing

equities. While these are often perceived to carry a lower risk than equity funds, they nonetheless carry varying degrees of risk of principal loss. Mutual funds that invest in equities are also varied across a wide spectrum from high risk and volatility to lower risk, less volatile investments. Investment in these securities is not guaranteed or insured by the FDIC or any other government agency.

**Equity** investment generally refers to buying shares of stocks by an individual or firms in return for receiving a future payment of dividends and capital gains if the value of the stock increases. There is an innate risk involved when purchasing a stock that it may decrease in value and the investment may incur a loss.

**Treasury Inflation Protected/Inflation Linked Bonds:** US Treasury defaulting (generally believed to be extremely unlikely). However unlikely these securities are to default, they do, carry a potential risk of losing market during the term of the investment prior to maturity.

**Debt Securities/ bonds/ fixed income securities** are investments that typically guarantee fixed periodic payments over a predetermined period of time, with the promise of return of initial capital at the end of that term (maturity). They also include income oriented equity securities which may carry a specified interest rate or dividend but may have different features other than a set maturity date (such as convertibility). They carry varying degrees of risk based upon the credit worthiness of the issuer/ borrower, including but not limited to default risk (wherein the counterparty is unable to meet its obligations). Other risks include prepayment of principal risk, interest rate risk and inflationary risk. Investment in these securities is not guaranteed or insured by the FDIC or any other government agency. There are limited exceptions wherein the US Government may guarantee the income payments on its debt securities along with timely and full payment of par value at maturity.

**Stocks & Exchange Traded Funds (ETF):** Investing in stocks & ETF's carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Investments in these securities are not guaranteed or insured by the FDIC or any other government agency.

**Real Estate** funds face several kinds of risk that are inherent in this sector of the market. Liquidity risk, market risk and interest rate risk are just some of the factors that can influence the gain or loss that is passed on to the investor. Liquidity and market risk tend to have a greater effect on funds that are more growth-oriented, as the sale of appreciated properties depends upon market demand. Conversely, interest rate risk impacts the amount of dividend income that is paid by income-oriented funds. Investment in these securities is not guaranteed or insured by the FDIC or any other government agency.

**REITs** have specific risks including valuation due to cash flows, dividends paid in stock rather than cash, and the payment of debt resulting in dilution of shares. Like other securities, REIT shares can also fluctuate in value, leading to the possible loss of

principal invested. Investment in these securities is not guaranteed or insured by the FDIC or any other government agency.

**Hedge Funds** are not suitable for all investors. While they may be managed to create lower risk than other investments, they may also involve a much higher degree of risk which may contribute to above average gains or significant losses. The use of leverage and investment in speculative investment strategies, commodity trading, liquidity risks, the lack of a secondary trading market in hedge fund shares, complex tax structures and a lack of transparency are some of the factors which may contribute to the increased risk of hedge funds. Investment in hedge funds is not guaranteed or insured by the FDIC or any other government agency.

**Private placements** carry a substantial risk as they are largely unregulated offerings not subject to securities laws.

**Precious Metal ETFs** (Gold, Silver, Palladium Bullion backed “electronic shares” not physical metal): Investing in precious metal ETFs carries the risk that the value of the ETF shares will not track exactly with the stated value of the underlying physical metal. As with other ETFs these shares carry the risk of capital loss and their value is not guaranteed or insured by the FDIC or any other government agency.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various other types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability and inflation.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither CWM nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

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

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Ann T. Coffey is a licensed insurance agent. From time to time, she will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. CWM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of CWM in such individual's capacity as an insurance agent.

### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

CWM may utilize or select other advisors or third party managers.

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

### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting

Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

CWM does not recommend that clients buy or sell any security in which a related person to CWM or CWM has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

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

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of CWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of CWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. CWM will always transact client's transactions before its own when similar securities are being bought or sold.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian, TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA, was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. CWM will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

### ***1. Research and Other Soft-Dollar Benefits***

CWM receives no research, product, or services other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

## ***2. Brokerage for Client Referrals***

CWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

CWM allows clients to direct brokerage; however, CWM may recommend custodians. CWM may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage CWM may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

CWM maintains the ability to block trade purchases across accounts. Block trading may benefit a large group of clients by providing CWM the ability to purchase larger blocks resulting in smaller transaction costs to the client. Declining to block trade can cause more expensive trades for clients.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least monthly only by Ann T. Coffey, Managing Member. Ann T. Coffey is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at CWM are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Ann T. Coffey, Managing Member. There is only one level of review and that is the total review conducted to create the financial plan.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

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

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least monthly from the custodian, a written report that details the client's account including assets held and asset value which will come from the custodian.

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

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

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

### **B. Compensation to Non - Advisory Personnel for Client Referrals**

CWM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

CWM, with client written authority, has limited custody of client's assets through direct fee deduction of CWM's fees only. If the client chooses to be billed directly by TD Ameritrade Institutional, a Division of TD Ameritrade, Inc., member FINRA/SIPC/NFA, CWM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

For those client accounts where CWM provides ongoing supervision, the client may give CWM written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides CWM discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.



## **Item 17: Voting Client Securities (Proxy Voting)**

CWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

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

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

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

### **C. Bankruptcy Petitions in Previous Ten Years**

CWM has not been the subject of a bankruptcy petition.