

Item 1 – Cover Page



**Form ADV Part 2A Brochure
March 22, 2016**

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This Brochure provides information about the qualifications and business practices of [D. L. Watson & Company, Inc. \["DLW"\]](#). If you have any questions about the contents of this Brochure, please contact us at (941)270-3801/ don.watson@dlwatsonco.com. Currently, our Brochure may be requested free of charge by contacting [Donald Watson](#) at (941)504-5032 or don.watson@dlwatsonco.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.

[DLW](#) is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about [DLW](#) also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Sample Language (All sample language is subject to an investment adviser's review and is provided for informational purposes only. All disclosure should be subject to careful review to ensure its accuracy as applied to any particular investment adviser.)

The following are the material changes that have been made to our Brochure since our last annual update.

None

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Item 4 – Advisory Business

DLW is owned by Donald L. Watson and has been providing advisory services since January 1, 2016.

As of 01/01/2016, DLW managed \$0.00 on a discretionary basis and \$0.00 on a nondiscretionary basis.

Item 5 – Fees and Compensation

All fees are subject to negotiation.

The specific manner in which fees are charged by DLW is established in a client's written agreement with DLW. DLW will generally bill its fees on a quarterly basis. Clients are to be billed in advance of each calendar quarter. Clients may also elect to be billed directly for fees or to authorize DLW to directly debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

DLW's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to DLW's fee, and DLW shall not receive any portion of these commissions, fees, and costs.

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

The fee schedule applicable as of this Brochure is as follows:

Client Assets	Annual Fee (%) for all assets
On the first \$500,000	1.25%

On the next \$500,000	1.00%
On the next \$4,000,000	0.75%
On all amounts in excess of \$5,000,000	Negotiable

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

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

Item 7 – Types of Clients

DLW provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

DLW generally requires a minimum account of \$25,000 to open a portfolio in EQIS.

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

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 DLW or the integrity of DLW's management. DLW has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

None

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

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

DLW anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which DLW has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which DLW, its affiliates and/or clients, directly or indirectly, have a position of interest. DLW's employees and persons associated with DLW are required to follow DLW's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of DLW and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for DLW's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of DLW 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 DLW's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between DLW and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with DLW's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and

receive securities at a total average price. DLW will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

DLW's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Donald L Watson, President/ CEO.

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

Item 12 – Brokerage Practices

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

Item 13 – Review of Accounts

Client accounts are reviewed on an ongoing basis and relayed to account owners on a quarterly basis.

Item 14 – Client Referrals and Other Compensation

None

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. DLW urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

DLW usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, DLW observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, DLW's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to DLW in writing.

Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, DLW does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. DLW may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about **DLW**'s financial condition. **DLW** has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.