

**Item 1: Cover Sheet**

**FORM ADV PART 2A  
INFORMATIONAL BROCHURE**



**WEALTH MANAGEMENT  
SOLUTIONS**

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**This brochure provides information about the qualifications and business practices of Wealth Management Solutions LLC. If you have any questions about the contents of this brochure, please contact us at (610) 524-7031 or via email at [th@wmsplan.com](mailto:th@wmsplan.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. Our registration does not imply a certain level of skill or training.**

**Additional information about Wealth Management Solutions LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2:           Statement of Material Changes**

Wealth Management Solutions LLC is required to disclose any material changes to this ADV Part 2A here in Item 2. There are no material changes to report.

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## INFORMATIONAL BROCHURE

### WEALTH MANAGEMENT SOLUTIONS LLC

#### **Item 4:        Advisory Business**

Wealth Management Solutions LLC (“WMS”) has been in business since September 2015. Its principal owners are Carl M. Sacchetti, R. John West and M. Tanu Happonen.

WMS provides asset management services, which frequently include financial planning services, though planning may be done on a stand-alone basis. Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations.

#### Asset Management

When we work with a new client, WMS seeks to be a long term partner in that client’s wealth preservation and accumulation. Our engagement process begins with gathering information from the client regarding their current financial circumstances. WMS then reviews this information, and provides to the client a preliminary proposal of recommendations and action items. This may result in the delivery of a written financial plan, but may also be a brief summary presented to the client, depending on the specific needs.

While we have clients from all walks and stages of life and have no “typical” client, we believe that clients with between \$250,000 and \$2,000,000 are under-served by the financial advisory industry, in that they can be frequently overlooked or funneled into commoditized solutions that are not tailored to the client’s specific needs, while carrying costs that can be quite significant. Many of these clients are small business owners, with somewhat complex concerns as to family issues, estate and tax concerns, and wealth accumulation for specific goals. This means that a computer generated program is not going to meet the client’s needs, and most importantly, will not allow for the kind of partnership that we believe gives that business owner client the best chance at reaching his or her goals. The WMS approach is therefore to provide a responsive resource to clients, which means providing service in the form of thoughtful asset management which requires significant input at both inception of the relationship and on an ongoing basis from both the client and adviser. We believe this approach most assists us in developing the customized portfolio each client’s goals and objectives require.

When we perform asset management services, we do so on a discretionary basis, which means we communicate with clients as to goals and objectives and changes in circumstances, but we do not seek specific approval of changes to client accounts. Clients can always make deposits or withdrawals, or place restrictions on the types of investments in an account or portfolio. Because we take discretion when managing accounts, clients engaging us will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and WMS. Specific security changes will be implemented by WMS, or in the case of assets managed by a third

party manager, by such third party manager. WMS may, however, have the discretion to hire and fire the third party manager, in which case that change would be made in keeping with client objectives but not necessarily with prior client authorization.

#### *Use of Third Party Managers*

WMS may select certain Third Party Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Third Party Manager may be set forth in a separate written agreement with the designated Third Party Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Third Party Managers engaged to manage their assets. WMS evaluates a variety of information about Third Party Managers, which may include the Third Party Managers' public disclosure documents, materials supplied by the Third Party Managers themselves and other third-party analyses it believes are reputable. To the extent possible, WMS seeks to assess the Third Party Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. WMS also takes into consideration each Third Party Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors. WMS continues to provide services relative to the discretionary selection of the Third Party Managers. On an ongoing basis, WMS monitors the performance of those accounts being managed by Third Party Managers. WMS seeks to ensure the Third Party Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

#### Financial Planning

For clients with assets under management at WMS in excess of \$500,000, financial planning services may be provided as part of the asset management process. For clients below that minimum, or clients who do not yet wish to place assets under management, financial planning is done on a stand-alone basis, which means the financial planning services are performed separately, for a separate and additional fee. Each financial planning engagement involves a review of a number of factors, which can include concepts such as life goals, tax status and planning, estate planning, retirement concerns or planning for education needs. The plan WMS ultimately produces is intended to be a suggested blueprint of how to meet the goals the client presents. In many cases, the client will elect to have WMS continue with the client and provide asset management services, though they are under no obligation to do so.

If you request, WMS may recommend the services of other professionals for implementation purposes. Clients are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from WMS. If you engage any professional recommended by WMS, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

### Wrap Program

WMS recommends that investment accounts be held in custody by TD Ameritrade Institutional, a division of TD Ameritrade, member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers enhanced services to independent investment advisors. These services include custody of securities, trade execution platforms, and access to research not available to the general public. TD Ameritrade is wholly independent from WMS. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

For some clients, WMS may include certain transactional costs in the client's management fee. This arrangement is referred to a "Wrap Program". For accounts in the Wrap Program, WMS pays a fee to the account custodian based on the total amount of client assets enrolled in the Wrap Program, thus taking on many of the clients' transactions cost. Fees included in the wrap fee include transaction fees for the purchase or sale of securities, but do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than the primary custodian. Expenses for the management fees of third party managers are also not included in the Wrap Program, and to the extent utilized, you will be responsible for such fees. Because WMS will be managing the assets of wrap fee program clients the same way as other non-wrap fee program clients, the use of external portfolio managers within the wrap program is expected to be limited. Therefore, there is no difference between how WMS manages wrap free accounts and how WMS manages other accounts.

Because of the nature of a wrap fee program, where wrap fees are not tied to an account's frequency of trading and apply to generally all assets in the account, the wrap fee program client may pay more or less than if the client had compensated WMS outside of the wrap fee program. For example, if a client's account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees. Clients whose accounts will be rarely traded should carefully consider whether the Wrap Program is appropriate. Clients are not required to participate in the Wrap Program. WMS receives a portion of the wrap fee for our services.

WMS is the sole portfolio manager in the wrap program, which means that WMS receives a portion of the wrap fee for our services. Transaction fees are paid to various broker-dealers, mutual funds and ETFs. The remainder of the wrap fee is the management fee payable to WMS. As discussed more fully in the wrap brochure, the transaction fees paid to the account custodian are based on a rate per trade that is negotiated between WMS and the custodian clearing the trades. WMS will receive no additional compensation for offering the wrap fee program.

Assets invested through Greenrock Research, Inc., do not participate in the WMS Wrap Program. Clients with assets invested through Greenrock Research, Inc. should consult with the Greenrock Research, Inc. Form ADV Part 2 for more information.

Clients whose assets are invested through the WMS Wrap Program should please see the separate Wrap Fee Brochure for a more complete description of the Wrap Program.

#### Pension Consulting

Many of our clients are small businesses, and at times, these businesses have retirement plans established for their employees. Recognizing that part of their fiduciary obligation to their plans is to ensure that participants have adequate choices to which they may allocate their contributions, plan sponsors may request that WMS provide assistance. WMS will in these cases assist the plan sponsor by reviewing the investment options for the plan and recommending a course of action (changing options or keeping current options). In some cases, WMS may be engaged to perform this service on an ongoing basis, and in some cases, the engagement may be consultative in nature and end after the review and recommendations are completed. This advice is rendered on a non-discretionary basis, meaning the plan sponsor is free to accept or reject WMS' recommendations.

#### Financial Institution Consulting Services

WMS may contract directly with and receive payments from broker/dealers, insurance companies, investment companies, and other registered investment advisers to provide investment advisory consulting services to the clients of those contracted financial institutions. Such contractual engagements do not include assuming discretionary authority over brokerage accounts or the monitoring of securities positions. Services offered to financial institution clients may include a general review of client investments holdings, which may or may not result in a WMS' investment adviser representatives making specific securities recommendations or offering general investment advice.

#### Assets Under Management

As of January 31, 2018, WMS managed approximately \$136,139,762 in assets under management, of which all are managed on a discretionary basis.

### **Item 5: Fees and Compensation**

#### **A. Fees Charged**

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items. Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services, and may in fact pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage or to continue to engage, WMS for investment services.

### Asset Management

Generally, fees vary from 0.50% to 1.50% per annum of the market value of a client's assets managed by WMS. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs.

### Financial Planning

*Hourly:* For clients needing advice with a limited scope, financial planning services can be done on an hourly basis. Hourly rates range from \$150 – \$350 for all investment professionals at WMS. The professional working on the assignment, as well as, the hourly rates is dependent upon a number of factors, most importantly the complexity of the assignment and the availability of professionals. An estimate of total hours to complete the assignment will be determined at the start of the engagement. Generally, fifty percent (50%) of this estimate will be payable upon signing the Financial Planning Agreement. The hourly rates stated are guidelines. Fees may be higher or lower than this range, based on the nature of the engagement. Fees are negotiable, and will depend on the anticipated complexity of your plan.

*Fixed Fee:* For clients requiring a complete financial plan, services will be provided on a fixed fee basis. Fixed fees will typically range from \$2,500 to \$50,000, depending upon the nature and complexity of the assignment. For example, a client with complex estate planning issues, multiple sources of investment income, and special needs heirs will have a more complex plan (and therefore a higher fixed fee) than a client with no estate planning issues, a single heir and a single source of income. The fixed fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the assignment.

*Included with Other Services:* For clients who have at least \$500,000 in assets managed by WMS, fees for financial planning may be waived.

### Retirement Plan Consulting Services

The fee for these services may be hourly (at the rates stated above for financial planning) or fixed fee. The amount of the fixed fee will range from \$500 to \$5,000, depending on the size of the plan, the types of options permitted, and the current condition of the plan options. Fees may also be based on a percentage of the gross market value of a plan's assets. The fee range for pension consulting is from 0.00% to 1.00%. Fees are negotiable and will be determined by the scope and nature of the services provided, the size of the account, the complexity of the plan document and other factors. Services may also be performed on an hourly basis in limited circumstances.



## B. Fee Payment

Financial Planning: Generally, fifty percent (50%) of the anticipated financial planning fee will be payable upon signing the Financial Planning Agreement, with the remained due upon completion of the financial plan. For hourly engagements, the final amount due will be based upon actual hours expended. For fixed fee engagements, the final amount due will be fifty percent (50%) of the fixed fee.

## Asset Management

For clients whose assets are managed directly by the firm, investment advisory fees will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the net value as of the last market day of the previous quarter. This means that if your annual fee is 1.00%, each quarter we will multiply the value of your account by 1.00%, multiply that number by the number of days in the applicable billing quarter, and divide by 365 to calculate our fee. For assets deposited into or withdrawn from an account after the inception of a billing period, the fee payable is prorated based on the number of days remaining in the billing period. Any reduction in fees related to the withdrawal of assets in an account will be credited against the next billing period's investment advisory fees. Additionally, to the extent there is cash in your account, it will be included in the value for the purpose of calculating fees only if the cash is part of an investment strategy. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to WMS. While almost all of our clients choose to have their fee debited from their account, we will invoice clients upon request.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will receive a statement from their account custodian showing all transactions in their account, including the fee.

## C. Other Fees

There are a number of other fees that can be associated with holding and investing in securities. For clients participating in WMS' wrap program, these include some fees that may be paid by WMS on your behalf, such as transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock, as discussed above. All other fees will be deducted from your account. Expenses of a mutual fund or ETF will not be included in management fees, as they are deducted from the value of the shares by the manager. When selecting mutual funds that have multiple share classes for recommendation to clients, WMS will take into account the internal fees and expenses associated with each share class, and it is WMS policy to choose the lowest-cost share class available, absent circumstances that dictate otherwise. For complete discussion of expenses related to each mutual fund or ETF, you should read a copy of the prospectus issued by that fund. WMS can provide or direct you to a copy of the prospectus for any fund that we recommend to you. Fees charged by independent third party managers are also separate and additional to any fees paid to WMS, and such managers will be authorized to separately debit fees from client accounts.

Please make sure to read Item 12 of this informational brochure, where we discuss broker-dealer and custodial issues.

D. *Pro-rata Fees*

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. If you terminate our relationship during a quarter, you will be entitled to a refund of any management fees for the remainder of the quarter. Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire). WMS will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to WMS and will become a retail account with the custodian.

E. Compensation for the Sale of Securities.

This item is not applicable.

**Item 6: Performance-Based Fees**

WMS will not charge performance based fees.

**Item 7: Types of Clients**

Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. WMS requires each client to place at least \$250,000 with the firm. This minimum may be waived in the discretion of WMS.

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

It is important for you to know and remember that all investments carry risks. **Investing in securities involves risk of loss that clients should be prepared to bear.**

As described in Item 4, our goal at WMS is to understand each client’s needs and goals, even if they do not obviously directly connect to their financial circumstances or investing. Once we can determine what a client’s goals are, we can manage their assets accordingly. Primarily, we believe that asset allocation, which means the allocation of a portfolio to asset classes as opposed to specific securities, will drive client performance more than security selection. This view leads us to develop asset allocation guidelines for each client, which means the percentage of a portfolio that would be invested in a given asset class, such as equities or fixed income. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with

20% of that allocated to international equities and the remaining balance in fixed income. Another client may have an asset allocation of 50-60% in fixed income securities and the remainder equities. Each client's allocation may be similar to, or vary greatly from, another client who on the surface seems quite similar. This is because each client's risk tolerances and goals may differ significantly.

It is important to remember that because market conditions can vary greatly, asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

When selecting individual securities to place into the asset allocation design for each client, WMS focuses on value for costs. This means that we analyze not just a given manager or fund family or equity, but the costs associated with transactions to obtain the security and ongoing ownership costs (such as mutual fund management fees and expenses). We believe that fewer and fewer mutual fund managers are really adding value as compared to the costs. This means that selecting the right mutual fund manager requires attention and diligence. We strive to find the perfect mix of investments geared to provide clients with low cost options, while not surrendering the potential for returns. Because of this, we frequently recommend lower cost options such as exchange traded funds (ETFs) as well as individual stocks, bonds, and mutual funds. However, we will evaluate and even recommend any security type or issue if we feel the client will benefit. When evaluating individual securities, we base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from outside consultants, our custodian or other market analyses. Outside investment consultants provide capital markets research, asset allocation recommendations, and assist WMS in designing investment portfolios. When evaluating third party managers, we review the manager through a separate diligence process.

Most mutual funds offer different share classes with vary fee structures, including share classes with sales load, sales charges, or 12B-1 fees. 12B-1 fees are deducted from the mutual funds' assets on an ongoing basis, and are paid to broker-dealers and registered representatives whose clients own those shares to cover fund distribution and shareholder services. This receipt of fees presents a potential conflict of interest, as WMS has an incentive to recommend more expensive share classes to clients based on the compensation received, rather than based upon the client's needs. However, it is WMS policy that when specific funds offer more than one share class, WMS will select the lowest-cost share class available to the client, absent circumstances that dictate otherwise.

Additionally, as assets are transitioned from a client's prior advisors to WMS, clients may hold legacy securities and may place restrictions on individual security types. Legacy securities are those that a client owned prior to or separate from its WMS portfolio. If a client transitions mutual fund shares to WMS that are not the lowest-cost share class, and WMS is not recommending disposing of the security altogether, WMS will attempt to convert such mutual fund share classes into the lowest-cost share classes the client is eligible for, taking into account any adverse tax consequences associated with such conversion.

### Third Party Managers

In some instances, WMS can utilize other managers to assist in the management of client assets. These managers are selected by WMS after a process whereby WMS evaluates each manager's investment performance, operations, and offerings to determine if the manager would be a fit for WMS clients. This process continues on an ongoing basis, throughout the time the client works with the third party manager. Prior to referring any client to another manager, WMS will confirm that such manager is registered, or exempt from registration, as an investment adviser.

For some accounts, WMS will engage the services of Greenrock Research which includes the following: investment management research, asset allocation consultation, separate account manager selection, individual client proposals and research reports on a website-supported platform. It is important to note that these managers, including Greenrock Research, will charge a separate and additional fee, for their services. Clients that choose to engage in this service will be charged directly by Greenrock. WMS will consider these fees in its decision to recommend the use of any third party manager. The use of any third party manager, including Greenrock Research, does not change the relationship between WMS and the client, in that WMS will still manage the overall client portfolio, adding, subtracting and modifying the allocations to different securities and managers.

### Risk of Loss

There are always risks to investing. Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear. It is impossible to name all possible types of risks. Among the risks are the following:

- **Client Information.** Because our advice is determined based on information provided by clients regarding their current circumstances and goals, the accuracy and ongoing validity of that information is paramount to success. As needs change, clients should keep in contact with us so we may revise our recommendations accordingly. Otherwise, performance may suffer, or goals may not be met.
- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.

- **Tax Risks Related to Short Term Trading:** Clients should note that WMS may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. WMS endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Margin Risk.** "Margin" is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. WMS may utilize margin on a limited basis for clients with higher risk tolerances.
- **Short Sales.** "Short sales" are a way to implement a trade in a security WMS feels is overvalued. In a "long" trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor's loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. WMS utilizes short sales only when the client's risk tolerances permit.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company's future. For example, a company's management may lack experience, or the company's capital for growth may be restricted. These small companies

also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.

- **Concentration Risk.** While WMS selects individual securities, including mutual funds, for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client's equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client's equity portfolio may be affected negatively, including significant losses.

- **Transition risk.** As assets are transitioned from a client's prior advisers to WMS there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by WMS. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of WMS may adversely affect the client's account values, as WMS's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

- **Risks specific to sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ. Clients should *carefully* review the risks associated with each manager as such risks are disclosed in that firm's Form ADV and/or offering documents for the private placement, both of which are available from WMS.

- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

- **REITs:** WMS may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation, that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low

barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.

- **MLPs:** WMS may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as “MLPs”. An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client’s portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager’s experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments. Clients should ask WMS any questions regarding the role of MLPs in their portfolio.

#### **Item 9:       Disciplinary Information**

There are no disciplinary items to report.

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

##### **A. Broker-dealer**

Neither the principal of WMS, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

##### **B. Futures Commission Merchant/Commodity Trading Advisor**

Neither the principal of WMS, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

### C. Relationship with Related Persons

Certain professionals of WMS are separately licensed as independent insurance agents. As such, these professionals may conduct insurance product transactions for WMS clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as employees of WMS. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These professionals therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage WMS or utilize these professionals to implement any insurance recommendations. WMS attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with WMS, or to determine not to purchase the insurance product at all. WMS also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of WMS, which requires that employees put the interests of clients ahead of their own.

### D. Recommendations of other Advisers

As discussed in Item 8, WMS may recommend the use of one or more third party managers. In some instances, these managers may collect their fee, and remit a portion to WMS, rather than WMS deducting its fee separately. This arrangement, while intended to be an operational convenience and not a referral fee, makes WMS a "solicitor" within the meaning of Rule 206(4)-3 of the Advisers Act. Accordingly, clients whose assets are placed with a third party manager may be required to execute a disclosure statement acknowledging that WMS will be paid a portion of the fees collected by the third party manager.

In addition, clients should be aware that this arrangement may present a conflict of interest for WMS, in that WMS will have an economic incentive to recommend managers who will have fee rates favorable to WMS' share of fees, as opposed to fee rates most beneficial to the client. WMS attempts to mitigate this risk through a thorough review of each manager, including the value for the fees to be paid, as well as requiring every WMS associated person to acknowledge their fiduciary responsibility to clients.

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

A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Not applicable. WMS does not recommend to clients that they invest in any security in



which WMS or any principal thereof has any financial interest.

C. On occasion, an employee of WMS may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of WMS may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## **Item 12: Brokerage Practices**

### **A. Recommendation of Broker-Dealer**

WMS recommends that investment accounts be held in custody by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"). TD Ameritrade offers enhanced services to independent investment advisors. These services include custody of securities, trade execution platforms, and access to research not available to the general public. TD Ameritrade is wholly independent from WMS. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

WMS recommends TD Ameritrade to its clients based on a variety of factors. These include, but are not limited to, commission costs. TD Ameritrade has what can be considered discounted commission rates. However, in choosing a broker-dealer or custodian to recommend, we are most concerned with the value the client receives for the cost paid, not just the cost. TD Ameritrade adds value beyond commission cost. Other factors that may be considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. TD Ameritrade also has arrangements with many mutual funds that enable us to purchase these mutual funds for client accounts at reduced transaction charges (as opposed to other broker-dealers). TD Ameritrade has a significant market share of investment adviser business which makes them experienced in matters likely to arise for our clients. WMS re-evaluates the use of TD Ameritrade at least annually to determine if they are still the best value for our clients.

These custodians also may provide us with some non-cash benefits (not available to retail customers) in return for placing client assets with them or executing trades through them. Such non-cash benefits are referred to as “soft dollars”. Currently, these benefits come in the form of investment research and sponsored attendance at various investment seminars. We may also receive such items as investment software, books and research reports. These products, services, or educational seminars are items that will play a role in determining how to invest client accounts. If there is any item that has a multi-use aspect, mixed between investment and non-investment purposes, WMS will determine a reasonable allocation of investment to non-investment use and soft dollars will be allocated only to the investment portion of the product (and we will pay the remaining cost). WMS receives a benefit from these services, as otherwise we would be compiling the same research ourselves. This may cause us, or another adviser, to want to place more client accounts with a broker-dealer/custodian such as TD Ameritrade, solely because of these added benefits. However, the value to all of our clients of these benefits is included in our evaluation of custodians. Products and services received via soft dollars will generally be used for the benefit of all clients. However, it is possible that a given client’s trades will generate soft dollars that acquire products and/or services that are not ultimately utilized for that same client’s account. Soft dollars provide additional value, and are accordingly considered in determining which broker-dealer or custodian to utilize as part of our best execution analysis.

In selecting TDA as a broker-dealer/custodian for certain of its current and future client accounts, WMS takes into consideration its arrangement with TDA as to obtaining price discounts for TDA’s client reporting service for advisors known as “Orion Advisor Solutions”.

Although WMS believes that the products and services offered by TDA are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with TDA as to the Orion Advisor Solutions service may affect WMS’s independent judgment in selecting or maintaining TDA as the broker or custodian for client accounts. WMS’s use of this software may present a conflict of interest.

We do not consider whether TD Ameritrade or any other broker-dealer/custodian, refers clients to WMS as part of our evaluation of these broker-dealers.

#### B. Aggregating Trades

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, executed one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example, if a *pro rata* division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

**Item 13: Review of Accounts**

All accounts will be reviewed by a senior professional on at least a quarterly basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by WMS is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from TD Ameritrade. Please refer to Item 15 regarding Custody.

**Item 14: Client Referrals and Other Compensation****A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.**

*Please refer to Item 12, where we discuss recommendation of Broker-Dealers.*

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

Clients may be introduced to WMS via other third parties. In the event that WMS compensates any party for the referral of a client to WMS, any such compensation will be paid by WMS, and not the client. If the client is introduced to WMS by an unaffiliated third party, that third party will disclose to the client the referral arrangement with WMS, including the compensation for the referral, and provide the client a copy of WMS's ADV Part 2A and 2B. The referral source will also provide a written disclosure to the client regarding the relationship between WMS and the referral source, including the fact that referral fees will be paid.

**Item 15: Custody**

There are two avenues through which WMS has custody of client funds; by directly debiting its fees from client accounts pursuant to applicable agreements granting such right, and potentially by permitting clients to issue standing letters of authorization ("SLOAs"). SLOAs permit a client to issue one document that directs WMS to make distributions out of the client's account(s).

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will receive a statement from their account custodian showing all transactions in their account, including the fee.

We encourage clients to carefully review the statements and confirmations sent to them by their custodian, and to compare the information on your quarterly report prepared by WMS against the information in the statements provided directly from TD Ameritrade. Please alert us of any discrepancies.

In addition to the account custodian's custody procedures, clients issuing SLOAs will be requested to

confirm, in writing, that the accounts to which funds are distributed are parties unrelated to WMS.

**Item 16: Investment Discretion**

When WMS is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and WMS.

**Item 17: Voting Client Securities**

Copies of our Proxy Voting Policies are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. WMS will not accept authority to vote client securities. Clients will receive their proxies directly from the custodian for the client account. WMS will not give clients advice on how to vote proxies.

**Item 18: Financial Information**

WMS does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

**Item 1: Cover Sheet**

**INFORMATIONAL BROCHURE**

**WRAP FEE PROGRAM**



**WEALTH MANAGEMENT  
SOLUTIONS**

300 North Pottstown Pike, Suite 240  
Exton, PA 19341

Tanu Happonen  
(610) 524-7031

[www.wmsplan.com](http://www.wmsplan.com)

**August 17, 2018**

**This wrap fee program brochure provides information about the qualifications and business practices of Wealth Management Solutions LLC. If you have any questions about the contents of this brochure, please contact us at (610) 524-7031 or via email at [th@wmsplan.com](mailto:th@wmsplan.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. Our registration does not imply a certain level of skill or training.**

**Additional information about Wealth Management Solutions LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2: Material Changes**

Wealth Management Solutions LLC is required to include in this Item 2 any material changes to this Wrap Brochure. There are no material changes to report.

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## WRAP FEE PROGRAM

### WEALTH MANAGEMENT SOLUTIONS LLC

#### **Item 4: Services, Fees, and Compensation**

The Wealth Management Solutions Wrap Program (the “Program”) is a wrap fee program sponsored by Wealth Management Solutions LLC (“WMS”) which has been in business since September, 2015. Its principal owners are Carl M. Sacchetti, R. John West and M. Tanu Happonen.

WMS provides asset management services, which frequently include financial planning services, though planning may be done on a stand-alone basis. Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations.

##### **A. Description of the Program**

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###### Asset Management

When we work with a new client, WMS seeks to be a long term partner in that client’s wealth preservation and accumulation. Our engagement process begins with gathering information from the client regarding their current financial circumstances. WMS then reviews this information, and provides to the client a preliminary proposal of recommendations and action items. This may result in the delivery of a written financial plan, but may also be a brief summary presented to the client, depending on the specific needs.

While we have clients from all walks and stages of life and have no “typical” client, we believe that clients with between \$250,000 and \$2,000,000 are under-served by the financial advisory industry, in that they can be frequently overlooked or funneled into commoditized solutions that are not tailored to the client’s specific needs, while carrying costs that can be quite significant. Many of these clients are small business owners, with somewhat complex concerns as to family issues, estate and tax concerns, and wealth accumulation for specific goals. This means that a computer generated program is not going to meet the client’s needs, and most importantly, will not allow for the kind of partnership that we believe gives that business owner client the best chance at reaching his or her goals. The WMS approach is therefore to provide a responsive resource to clients, which means providing service in the form of thoughtful asset management which requires significant input at both the inception of the relationship and on an ongoing basis from both the client and adviser. We believe this approach most assists us in developing the customized portfolio each client’s goals and objectives require.

When we perform asset management services, we do so on a discretionary basis, which means we communicate with clients as to goals and objectives and changes in circumstances, but we do not seek specific approval of changes to client accounts. Clients can always make deposits or withdrawals, or place restrictions on the types of investments in an account or portfolio. Because we



take discretion when managing accounts, clients engaging us will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and WMS.

For some clients, WMS may include certain transactional costs in the client's management fee. Fees included in the wrap fee include transaction fees for the purchase or sale of securities, but do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than TD Ameritrade. Expenses for the management fees of third party managers are also not included in the Wrap Program, and to the extent utilized, you will be responsible for such fees. Because WMS will be managing the assets of wrap fee program clients the same way as other non-wrap fee program clients, the use of external portfolio managers within the wrap program is expected to be limited. To the extent a third party manager is utilized, the fees payable to such managers will not be included in the wrap program. Therefore, there is no difference between how WMS manages wrap fee accounts and how WMS manages other accounts.

Because of the nature of a wrap fee program, the wrap fee program client may pay more or less than if the client had compensated WMS outside of the wrap fee program. For example, if a client's account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees. WMS receives a portion of the wrap fee for our services.

WMS does not engage other portfolio managers to manage assets within the wrap fee program. To the extent a third party manager is utilized, the fees payable to such managers will not be included in the wrap program. WMS is the sole portfolio manager in the wrap program, which means that WMS receives a portion of the wrap fee for our services. Transaction fees are paid to various broker-dealers, mutual funds and ETFs. The remainder of the wrap fee is the management fee payable to WMS. The amount payable to WMS varies depending upon the amount of trading in a client's account. The more transactions in the account, the greater the amount of transaction fees, and therefore the less compensation to WMS. Accordingly, WMS has a financial incentive to avoid trading the account. This creates a conflict of interest between the firm and its wrap clients. WMS attempts to mitigate this conflict by requiring that the firm's employees acknowledge their fiduciary duty to place client interests ahead of their own and by periodically comparing wrap program client performance against any clients who are not in the wrap program.

WMS will receive no additional compensation for offering the wrap fee program.

### Financial Planning

For clients with assets under management at WMS in excess of \$500,000, financial planning services may be provided as part of the asset management process. For clients below that minimum, or clients who do not yet wish to place assets under management, financial planning is done on a stand-alone basis, which means the financial planning services are performed separately, for a separate and

additional fee. Each financial planning engagement involves a review of a number of factors, which can include concepts such as life goals, tax status and planning, estate planning, retirement concerns or planning for education needs. The plan WMS ultimately produces is intended to be a suggested blueprint of how to meet the goals the client presents. In many cases, the client will elect to have WMS continue with the client and provide asset management services, though they are under no obligation to do so.

If you request, WMS may recommend the services of other professionals for implementation purposes. Clients are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from WMS. If you engage any professional recommended by WMS, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

#### Assets under Management

As of January 31, 2018, WMS managed approximately \$136,139,762 in assets under management, of which all are managed on a discretionary basis.

#### **Fees and Compensation**

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##### Fees Charged

All clients will be required to execute a written agreement that will describe the type of management services to be provided and the fees, among other items.

##### Our Wrap Fees

Generally, fees vary from 0.50% to 1.50% per annum of the market value of a client's assets managed by WMS. The fee range stated is a guide. Fees are negotiable, and may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

For clients whose assets are managed directly by the firm, investment advisory fees will be debited directly from each client's account. The advisory fee is paid quarterly, in advance, and the value used for the fee calculation is the net value as of the last market day of the previous quarter. This means that if your annual fee is 1.00%, each quarter we will multiply the value of your account by 1.00%, multiply that number by the number of days in the applicable billing quarter, and divide by 365 to calculate our fee. For assets deposited into or withdrawn from an account after the inception of a billing period, the fee payable is prorated based on the number of days remaining in the billing period. Any reduction in fees related to the withdrawal of assets in an account will be credited against the next billing period's investment advisory fees. Additionally, to the extent there is cash in your account, it will be included in the value for the purpose of calculating fees only if the cash is part of an investment strategy. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to WMS. While almost all of our clients choose to

have their fee debited from their account, we will invoice clients upon request.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. The client will also receive a statement from their account custodian showing all transactions in their account, including the fee.

There are a number of other fees that can be associated with holding and investing in securities. These include some fees that will be paid by WMS on your behalf, such as transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock, as discussed above. All other fees will be deducted from your account. Expenses of a mutual fund or ETF will not be included in management fees, as they are deducted from the value of the shares by the manager. When selecting mutual funds that have multiple share classes for recommendation to clients, WMS will take into account the internal fees and expenses associated with each share class, and it is WMS policy to choose the lowest-cost share class available, absent circumstances that dictate otherwise. For complete discussion of expenses related to each mutual fund or ETF, you should read a copy of the prospectus issued by that fund. WMS can provide or direct you to a copy of the prospectus for any fund that we recommend to you.

Please make sure to read Item 12 of the Informational Brochure, where we discuss broker-dealer and custodial issues.

#### Pro-rata Fees

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. If you terminate our relationship during a quarter, you will be entitled to a refund of any management fees for the remainder of the quarter. Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire ). WMS will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within 30 (thirty) days of termination may be “de-linked”, meaning they will no longer be visible to WMS and will become a retail account with the custodian.

### **Item 5: Account Requirement and Type of Clients**

Clients participating in the program may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. WMS requires each client to place at least \$250,000 with the firm. This minimum may be waived in the discretion of WMS.

### **Item 6: Portfolio Manager Selection and Evaluation**

The wrap fee program offered by WMS is sponsored by the firm, and WMS is the only portfolio manager. The only fees covered under the wrap fee program are transaction fees associated with the purchase and sale of securities in an account managed by WMS. All client accounts managed by

WMS, including wrap fee program clients, are managed with similar processes, although account recommendations may differ.

#### **Item 7: Client Information provided to Portfolio Managers**

Please see response to Item 6, above

#### **Item 8: Client Contact with Portfolio Managers**

Clients may contact WMS, the only portfolio manager, at any time.

#### **Item 9: Additional Information**

##### **Disciplinary Information**

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Neither the firm nor any of its employees or principals has any disciplinary information to report.

##### **Other Financial Industry Activities and Affiliations**

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###### **Broker-dealer**

Neither the principal of WMS, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities.

###### **Futures Commission Merchant/Commodity Trading Advisor**

Neither members of management, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

###### **Relationship with Related Persons**

Certain professionals of WMS are separately licensed as independent insurance agents. As such, these professionals may conduct insurance product transactions for WMS clients, in their capacity as licensed insurance agents, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as employees of WMS. Commissions from the sale of insurance products will not be used to offset or as a credit against advisory fees. These professionals therefore have incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage WMS or utilize these professionals to implement any insurance recommendations. WMS attempts to mitigate this conflict of interest by disclosing the conflict to

clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with WMS, or to determine not to purchase the insurance product at all. WMS also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of WMS, which requires that employees put the interests of clients ahead of their own.

#### Recommendations of other Advisers

As discussed in Item 8 of the Informational Brochure, WMS may recommend the use of one or more third party managers for assets managed outside of the wrap program. In some instances, these managers may collect their fee, and remit a portion to WMS, rather than WMS deducting its fee separately. This arrangement, while intended to be an operational convenience and not a referral fee, makes WMS a "solicitor" within the meaning of Rule 206(4)-3 of the Advisers Act. Accordingly, clients whose assets are placed with a third party manager may be required to execute a disclosure statement acknowledging that WMS will be paid a portion of the fees collected by the third party manager.

In addition, clients should be aware that this arrangement may present a conflict of interest for WMS, in that WMS will have an economic incentive to recommend managers who will have fee rates favorable to WMS' share of fees, as opposed to fee rates most beneficial to the client. WMS attempts to mitigate this risk through a thorough review of each manager, including the value for the fees to be paid, as well as requiring every WMS associated person to acknowledge their fiduciary responsibility to clients.

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

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A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.

B. Not applicable. WMS does not recommend to clients that they invest in any security in which WMS or any principal thereof has any financial interest.

C. On occasion, an employee of WMS may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

D. On occasion, an employee of WMS may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of

interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

### **Review of Accounts**

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All accounts will be reviewed by a senior professional on at least a quarterly basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts.

The annual report in writing provided by WMS is intended to review asset allocation. All clients will receive statements and confirmations of trades directly from TD Ameritrade. Please refer to Item 15 of the Informational Brochure regarding Custody.

### **Client Referrals and Other Compensation**

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#### **A. Economic Benefit Provided by Third Parties for Advice Rendered to Client.**

WMS recommends that investment accounts be held in custody by TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade"). TD Ameritrade offers enhanced services to independent investment advisors. These services include custody of securities, trade execution platforms, and access to research not available to the general public. TD Ameritrade is wholly independent from WMS. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

WMS recommends TD Ameritrade to its clients based on a variety of factors. These include, but are not limited to, commission costs. TD Ameritrade has what can be considered discounted commission rates. However, in choosing a broker-dealer or custodian to recommend, we are most concerned with the value the client receives for the cost paid, not just the cost. TD Ameritrade adds value beyond commission cost. Other factors that may be considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. TD Ameritrade also has arrangements with many mutual funds that enable us to purchase these mutual funds for client accounts at reduced transaction charges (as opposed to other broker-dealers). TD Ameritrade has a significant market share of investment adviser business which makes them experienced in matters likely to arise for our clients. WMS re-evaluates the use of both TD Ameritrade at least annually to determine if they are still the best value for our clients.

These custodians also may provide us with some non-cash benefits (not available to retail customers) in return for placing client assets with them or executing trades through them. Such non-cash benefits are referred to as "soft dollars". Currently, these benefits come in the form of investment research and sponsored attendance at various investment seminars. We may also receive such items as investment software, books and research reports. These products, services, or educational seminars are items that will play a role in determining how to invest client accounts. If there is any

item that has a multi-use aspect, mixed between investment and non-investment purposes, WMS will determine a reasonable allocation of investment to non-investment use and soft dollars will be allocated only to the investment portion of the product (and we will pay the remaining cost). WMS receives a benefit from these services, as otherwise we would be compiling the same research ourselves. This may cause us, or another adviser, to want to place more client accounts with a broker-dealer/custodian such as TD Ameritrade, solely because of these added benefits. However, the value to all of our clients of these benefits is included in our evaluation of custodians. Products and services received via soft dollars will generally be used for the benefit of all clients. However, it is possible that a given client's trades will generate soft dollars that acquire products and/or services that are not ultimately utilized for that same client's account. Soft dollars provide additional value, and are accordingly considered in determining which broker-dealer or custodian to utilize as part of our best execution analysis.

In selecting TDA as a broker-dealer/custodian for certain of its current and future client accounts, WMS takes into consideration its arrangement with TDA as to obtaining price discounts for TDA's client reporting service for advisors known as "Orion Advisor Solutions".

Although WMS believes that the products and services offered by TDA are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with TDA as to the Orion Advisor Solutions service may affect WMS's independent judgment in selecting or maintaining TDA as the broker or custodian for client accounts. WMS's use of this software may present a conflict of interest.

We do not consider whether TD Ameritrade or any other broker-dealer/custodian, refers clients to WMS as part of our evaluation of these broker-dealers.

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

Clients may be introduced to WMS via other third parties. In the event that WMS compensates any party for the referral of a client to WMS, any such compensation will be paid by WMS, and not the client. If the client is introduced to WMS by an unaffiliated third party, that third party will disclose to the client the referral arrangement with WMS, including the compensation for the referral, and provide the client a copy of WMS's ADV Part 2A and 2B. The referral source will also provide a written disclosure to the client regarding the relationship between WMS and the referral source, including the fact that referral fees will be paid.

### **Financial Information**

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WMS does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.