

**Form ADV Part 2A – Firm Brochure**  
**Item 1: Cover Page**  
**June 2016**

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**Firm Contact:**  
**Darla Douglas, Chief Compliance Officer**

This brochure provides information about the qualifications and business practices of Western Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us by telephone at (303) 393-2445 or email [heather.bretz@lpl.com](mailto:heather.bretz@lpl.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 Western Wealth Management LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term “registered investment adviser” and description of Western Wealth Management LLC and/or our associates as “registered” does not imply a certain level of skill or training. You are encouraged to review this Brochure and Brochure Supplements for our firm's associates who advise you for more information on the qualifications of our firm and our employees.

## **Item 2: Material Changes**

Our firm is required to advise you of any material changes to our Firm Brochure ("Brochure") from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure.

Since our last amendment we have updated our process of adjusting for deposits and withdrawals in the billing process as well as our policies related to payments for client referrals.

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## **Item 4: Advisory Business**

We are dedicated to providing individuals and other types of clients with a wide array of investment advisory services. Our firm is a limited liability company formed in the State of Colorado. Our firm has been in business as an investment adviser since 2013 and is wholly owned by Cain Kobert.

### **Advisory Services**

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#### **Comprehensive Portfolio Management:**

Our Comprehensive Portfolio Management service encompasses asset management as well as providing financial planning/financial consulting to clients. It is designed to assist clients in meeting their financial goals through the use of financial investments. We conduct at least one, but sometimes more than one meeting (in person if possible, otherwise via telephone conference) with clients in order to understand their current financial situation, existing resources, financial goals, and tolerance for risk. Based on what we learn, we propose an investment approach to the client. We may propose an investment portfolio, consisting of exchange traded funds ("ETFs"), mutual funds, individual stocks or bonds, or other securities. Upon the client's agreement to the proposed investment plan, we work with the client to establish or transfer investment accounts so that we can manage the client's portfolio. Once the relevant accounts are under our management, we review such accounts on a regular basis and at least annually. We may periodically rebalance or adjust client accounts under our management. If the client experiences any significant changes to his/her financial or personal circumstances, the client must notify us so that we can consider such information in managing the client's investments.

We may utilize Independent Money Managers, where we design an investment portfolio on a fee-only basis for a percentage of assets in conjunction with another investment advisory firm. Before selecting other advisers, we make sure that the other advisers are properly licensed or registered.

#### **Financial Planning and/or Consulting:**

We provide a variety of financial planning and/or consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of the client's current situation, goals, and objectives. Such financial planning services will involve preparing a financial plan and/or rendering a financial consultation for clients based on the client's financial goals and objectives. This planning and/or consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, 401k Investment Advice, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our written financial plans and/or financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For written financial planning engagements, we provide our clients with a written summary of their financial situation, observations, and recommendations. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations as the

process is less formal than our planning service. Plans and/or consultations are usually completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. Implementation of the recommendations will be at the discretion of the client.

### **Retirement Plan Consulting:**

We provide Retirement Plan Consulting services to employer plan sponsors on an ongoing basis. Generally, such retirement plan consulting services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include:

- Investment Policy Statement assistance
- Ongoing investment monitoring
- Assistance with changes in investment options
- Performance reports
- Ongoing investment recommendations
- Education services to plan committee
- Participant education and enrollment
- 404(c) assistance
- Qualified Default Investment Alternative (QDIA) assistance
- Plan search support/vendor analysis

All Retirement Plan Consulting services shall be in compliance with the applicable state law(s) regulating retirement plan consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If the client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA or Section 3(38) of ERISA (but only with respect to the provision of services described in section 1 of the Retirement Plan Consulting Agreement).

### **LPL Financial Sponsored Advisory Programs:**

Our firm may provide advisory services through certain programs sponsored by LPL Financial (LPL), a registered investment advisor and broker-dealer. Below is a brief description of each LPL advisory program available to our firm. For more information regarding the LPL programs, including more information on the advisory services and fees that apply, the types of investments available in the programs and the potential conflicts of interest presented by the programs please see the LPL Financial Form ADV Part 2 or the applicable program's Appendix 1 (wrap fee program brochure) and the applicable client agreement.

#### **Optimum Market Portfolios Program (OMP)**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Advisor will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Advisor will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment

objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

A minimum account value of \$10,000 is required for OMP.

### **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. Advisor will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Advisor will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities.

A minimum account value of \$250,000 is required for PWP.

### **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. Our firm will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

The MWP program makes available model portfolios designed by strategists other than LPL's Research Department. Advisor will have discretion to choose among the available models designed by LPL and outside strategists.

A minimum account value of \$25,000 is required for MWP.

### **Manager Access Select Program**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. Advisor will assist client in identifying a third party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL. The Portfolio Manager manages client's assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the Portfolio Manager selection process.

A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

**Conflicts of Interest:**

Transactions in LPL advisory program accounts are effected through LPL as the executing broker-dealer.

Advisor receives compensation as a result of a client's participation in an LPL program. Depending on, among other things, the size of the account, changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the Advisor would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

**Tailoring of Advisory Services**

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We offer individualized investment advice to clients utilizing our Comprehensive Portfolio Management and Retirement Plan Consulting services. Additionally, we offer general investment advice to clients utilizing our Financial Planning & Consulting service.

Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account. Restrictions would be limited to our Comprehensive Portfolio Management and Retirement Plan Consulting services. We do not manage assets through our other services.

**Participation in Wrap Fee Programs**

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We offer wrap fee programs as further described in Part 2A, Appendix 1 (the "Wrap Fee Program Brochure") of our Brochure. Our wrap fee and non-wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc. We do not manage wrap fee accounts in a different fashion than non-wrap fee accounts. As further described in our Wrap Fee Program Brochure, we receive a portion of the wrap fee for our services.

**Assets Under Management**

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As of December 31, 2015, we manage \$600,196,497 on a discretionary basis and \$17,653,509 on a non-discretionary basis.

## **Item 5: Fees & Compensation**

We would like to advise our clients that lower fees for comparable services may be available from other sources.

### **How We Are Compensated for Our Advisory Services**

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#### **Comprehensive Portfolio Management:**

The maximum annual fee charged for this service will not exceed 3.0% of assets under management. Our firm's fees are billed on a pro-rata annualized basis quarterly in advance or in arrears based on the value of your account on the last day of the billing period.

Alternatively, a flat fee, not to exceed 3.00% of assets under management or a negotiated flat rate may be applied in certain circumstances. Our fees may be negotiable.

Fees will be automatically deducted from your managed account. As part of this process, you understand and acknowledge the following:

- a) Your qualified custodian sends quarterly statements to you showing all disbursements for your account, including the amount of the advisory fees paid to us;
- b) Accounts custodied at LPL Financial will be automatically adjusted for deposits and withdrawals during the billing period. Due to billing system limitations, accounts held at our other custodians will not have such adjustments made.
- c) You provide authorization permitting us to be directly paid by these terms;
- d) LPL Financial will calculate and deduct advisory fees for accounts custodied with them. Our firm will use Orion Advisor Services to calculate fees that Charles Schwab & Co., Inc. and/or Fidelity Investments deduct from accounts custodied with them.

We pay compensation to Independent Money Managers for services rendered by these firms to our clients and our firm. This compensation is typically equal to a percentage of the overall investment advisory fee charged by our firm or an agreed upon fixed fee. The advisory fee paid to Independent Money Managers shall be negotiable in certain circumstances, but shall never exceed the overall amount in our published fee statement. We usually pay up to fifty-percent (50%) of the overall advisory fee to Independent Money Managers for their services.

#### **Financial Planning and/or Consulting:**

We charge on an hourly or flat fee basis for financial planning and/or consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees range from \$100 to \$1,000. Flat fees range from \$100 to \$100,000.

We require a retainer of fifty-percent (50%) of the ultimate financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$1,200 when services cannot be rendered within 6 (six) months.

In the event that you wish to terminate our services, you will receive a pro-rata refund of unearned fees based on the time and effort expended by our firm and Planner.



**Retirement Plan Consulting:**

Our maximum fee for our retirement plan consulting service is 1.00% of the assets under advisement. We charge on an annualized basis billed quarterly in advance or in arrears based on the value of your account on the last day of the quarter. The ultimate fee that we charge you is based on the scope and complexity of our engagement with you.

The fee-paying arrangements for retirement plan consulting service will be determined on a case-by-case basis and will be detailed in the signed Retirement Plan Consulting Agreement.

**Fees for LPL Financial Sponsored Advisory Programs:**

The account fee charged to the client for each LPL advisory program is negotiable, subject to the following maximum account fees:

OMP	2.5%
PWP	2.5%
MWP	2.5%
Manager Access Select	3.0%

Account fees are payable quarterly in advance. LPL Financial has a separate billing process which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

LPL serves as program sponsor, investment advisor and broker-dealer for the LPL advisory programs. Our firm and LPL may share in the account fee and other fees associated with program accounts.

**Other Fees**

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Non-Wrap fee clients may incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients will pay the following separately incurred expenses, which we do not receive any part of: charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades. More information about this is disclosed in our separate Wrap Fee Program Brochure.

Clients may also incur miscellaneous fees and charges from LPL Financial in its capacity as our primary custody and clearing firm. Such fees are subject to change without prior notification from LPL Financial. A current schedule is available upon request.

**Refunds Following Termination**

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We charge our advisory fees quarterly in advance for our Comprehensive Portfolio Management service. In the event that you wish to terminate our services, we will refund the unearned portion of

our advisory fee to you. You need to contact us in writing and state that you wish to terminate our services. Upon receipt of your letter of termination, we will proceed to close out your account and process a pro-rata refund of unearned advisory fees.

For fees collected in arrears, we will proceed to close out your account and charge you a pro-rata advisory fee(s) for services rendered up to the point of termination.

### **Commissionable Securities Sales.**

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In order to sell securities for a commission, our supervised persons are registered representatives of LPL Financial, member FINRA/SIPC. Our supervised persons accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. You should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received.

We address commissionable sales conflicts that arise when explaining to clients that commissionable securities sales creates an incentive to recommend products based on the compensation we and/or our supervised persons may earn and when recommending commissionable mutual funds, explaining that "no-load" funds are available through our firm if the client wishes to become an investment advisory client.

This arrangement in no way prohibits you from purchasing investment products recommended by us through other brokers or agents which are not affiliated with us. Furthermore, this arrangement does not reduce your advisory fees to offset the commissions our supervised persons receive.

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

We do not accept performance-based fees.

### **Item 7: Types of Clients & Account Requirements**

We have the following types of clients:

- Individuals and High Net Worth Individuals;
- Charitable Organizations;
- Corporations, Limited Liability Companies and/or Other Business Types;
- Investment Companies;
- Other Investment Advisors;
- Pension and Profit Sharing Plans.

Our requirements for opening and maintaining accounts or otherwise engaging us:

- Please see Item 4B(iii) for the minimum account balance requirements of LPL Financial Sponsored Advisory Programs.
- We charge a minimum fee of \$100 for written financial plans.

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

### Methods of Analysis:

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Charting** - analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices
- **Fundamental** - analysis performed on historical and present data, with the goal of making financial forecasts
- **Technical** - analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices
- **Cyclical** - analysis performed on historical relationships between price and market trends, to forecast the direction of prices

### Investment Strategies We Use:

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations.

- Long Term Purchases (Securities Held At Least a Year);
- Short Term Purchases (Securities Sold Within a Year);
- Trading (Securities Sold Within 30 Days);
- Short Sales;
- Margin Transactions;
- Option Writing, including Covered Options, Uncovered Options or Spreading Strategies;

### Please Note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

## Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

## Item 10: Other Financial Industry Activities & Affiliations

Representatives of our firm are registered representatives of LPL Financial, member FINRA/SIPC. They may offer securities and receives normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales may create an

incentive to recommend products based on the compensation they may. In order to minimize this conflict of interest, our management persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics as well as clearly explaining this conflict when recommending any such products to our clients. Clients are informed they are not obligated to purchase these products.

Representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation our management persons may. In order to minimize this conflict of interest, our management persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics as well as clearly explaining this conflict when recommending any such products to our clients. Clients are not obligated to purchase these products.

Our firm offers many services through its network of investment advisory representatives ("Advisory Representatives" or "IARs"). IARs may conduct advisory services under a trade name (i.e. "Doing Business As" or "DBA ") or other corporate structure that is held out to the public for marketing purposes. Western Wealth Management, LLC does not have any ownership interest in the IAR's trade name or other corporate structure. IARs of the Firm set the advisory fees charged to Client which cannot exceed the advisory fee(s) listed in Item 5 of this Brochure. Additional Information regarding the nature of the relationship between Advisory Representatives is described in Items 5 and 10.

Our firm recommends and selects other investment advisers and receive compensation from those advisers. As part of this process, we will provide an initial due diligence on the programs available, gather information from clients about their financial situation, investment objectives, and restrictions, and deliver the required account paperwork and disclosure documents if the client selects a program. Prior to referring clients to an investment adviser, we will ensure that they are licensed or notice filed with the respective authorities.

The investment adviser will pay us a portion of the investment advisory fee that they charge you for managing your account. The investment adviser will establish and maintain their own separate billing processes over which we have no control. In general, they will directly bill you and describe how this works in their separate written disclosure documents. The investment adviser will not directly charge you a higher fee than they would have charged without us introducing you to them. The compensation paid to us the investment advisers may vary, and thus, there may be a conflict of interest as we may be incentivized to recommend investment advisers depending on the compensation they pay us. In order to minimize this conflict our firm will make our selections in the best interest of our clients.

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

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times.

Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics. Further, our related persons will refrain from buying or selling the same securities within 48 hours prior to buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

## **Item 12: Brokerage Practices**

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

- Ability to maintain the confidentiality of trading intentions
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Liquidity of the securities traded
- Willingness to commit capital
- Ability to place trades in difficult market environments
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided

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<sup>1</sup> For purposes of the policy, our associate's personal account includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation

With this in consideration, our firm has an arrangement with LPL Financial, Charles Schwab & Co., Inc., Fidelity Brokerage Services LLC and National Financial Services LLC (collectively referred to as “Custodians”). The Custodians offer services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions.

The Custodians may make certain research and brokerage services available at no additional cost to our firm all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by the Custodians may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by the Custodians to our firm in the performance of our investment decision-making responsibilities.

We do not use client brokerage commissions to obtain research or other products or services that fall outside of safe harbor. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving these services, we may have an incentive to continue to use or expand the use of the Custodians services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with the Custodians and we have determined that the relationship is in the best interest of our firm’s clients and satisfies our fiduciary obligations, including our duty to seek best execution.

The Custodians charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The Custodians enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Custodians’ commission rates are generally discounted from customary retail commission rates. The commission and transaction fees charged by the Custodians may be higher or lower than those charged by other custodians and broker-dealers.

Our non-wrap fee program clients may pay a commission to the Custodians that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the

benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Soft Dollars**

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Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

Our firm occasionally participates in joint educational events with product sponsors. These events can be partially funded by the products sponsors, but are in no way contingent upon the sale of their products. Any potential conflict of interest is further mitigated by our fiduciary duty to act in the best interests of our clients.

### **Client Brokerage Commissions**

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We do not use client brokerage commissions to obtain research or other products or services that fall outside of safe harbor. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

### **Procedures to Direct Client Transactions in Return for Soft Dollars**

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We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

### **Brokerage for Client Referrals**

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Our firm does not receive brokerage for client referrals.

### **Directed Brokerage**

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Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected. We routinely recommend that a client directs us to execute through a specified broker-dealer.

### **Permissibility of Client-Directed Brokerage**

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We allow clients to direct brokerage outside our recommendation. We may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

### **Special Considerations for ERISA Clients**

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A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

### **Aggregation of Purchase or Sale**

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We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

### **Item 13: Review of Accounts or Financial Plans**

We review accounts at least on an annual basis for our clients subscribing to our Comprehensive Portfolio Management service. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. Only our Financial Advisors or Portfolio Managers will conduct reviews. We do not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when we contact clients who subscribe to the following services: Asset Management, Comprehensive Portfolio Management Portfolio Monitoring and LPL Financial Sponsored Advisory Programs.

We may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. We do not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately contract with us for a post-financial plan meeting or update to their initial written financial plan.

Retirement Plan Consulting clients receive reviews of their pension plans for the duration of the service. We provide ongoing services to retirement plan consulting clients where we meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Retirement Plan Consulting clients will receive performance reports on either a quarterly, semi-



annually, or annual basis. Verbal reports to clients take place on at least an annual basis when we contact clients.

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

### **Other Compensation**

As part of our relationship with Charles Schwab & Co., Inc., we receive an economic benefit in the form of support products and services it makes available to us and other independent investment advisors that maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Our firm does not have any additional compensation arrangements with Fidelity to disclose.

As part of our relationship with LPL Financial, we receive without cost and/or at a discount non soft-dollar support services and/or products, to assist us to better monitor and service client accounts maintained at LPL. Included within the support services we may receive investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by us to assist us in our investment advisory business operations.

Our clients do not pay more for investment transactions effected and/or assets maintained at LPL Financial as result of this arrangement. There is no commitment made by us to the Custodians or any other institution as a result of the above arrangements.

### **Referral Fees**

Our firm pays referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, our firm maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to our firm will be given full written disclosure describing the terms and fee arrangements between our firm and Solicitor(s). In cases where state law requires licensure of solicitors, our firm ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of our firm. If our firm is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

## **Item 15: Custody**

We do not have custody of client funds or securities. All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's

contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

#### **Item 16: Investment Discretion**

Clients have the option of providing our firm with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, our firm is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with our firm's written acknowledgement.

#### **Item 17: Voting Client Securities**

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail or email them directly to you in the future.

#### **Item 18: Financial Information**

We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

We have never been the subject of a bankruptcy proceeding.