

**Form ADV Part 2A Appendix 1 – Wrap Fee Program Brochure  
Item 1: Cover Page  
March 2016**

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

This wrap fee program 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 Wrap Fee Program Brochure ("Wrap Brochure") from our last annual update, identify those changes on the cover page of our Wrap Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Wrap Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Wrap Brochure, and we must provide the date of the last annual update of our Wrap Brochure.

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

Since our last annual updating amendment filed on February 26, 2015, GE Buenning has retired and our firm has undergone the following personnel changes:

- Cain Kobert is now the President and Chief Executive Officer.
- Darla Douglas has now been named the Chief Compliance Officer.
- Julie Coberly is the Chief Financial Officer.
- Lastly, Heather Bretz is the firm's Chief Operations Officer.

### **Item 3: Table of Contents**

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## Item 4: Services, Fees & Compensation

We offer wrap fee programs as described in this Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

A wrap fee program allows our clients to pay a specified fee for investment advisory services and the execution of transactions. The advisory services may include portfolio management and the fee is not based directly upon transactions in your account. Your fee is bundled with our costs for executing transactions in your account(s). This results in a higher advisory fee to you. We do not charge our clients higher advisory fees based on their trading activity, but you should be aware that we may have an incentive to limit our trading activities in your account(s) because we are charged for executed trades. By participating in a wrap fee program, you may end up paying more or less than you would through a non-wrap fee program where a lower advisory fee is charged, but trade execution costs are passed directly through to you by the executing broker.

### **Our Wrap Advisory Services**

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#### Comprehensive Portfolio Management Wrap Fee Program:

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, 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. LPL will make quarterly adjustments for deposits and withdrawals in client accounts.

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) Adjustments will be made for deposits and withdrawals in your accounts;
- 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.

You may pay custodial fees, 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), mark-ups and mark-downs, spreads paid to market makers, wire transfer fees and other fees and taxes on brokerage accounts and securities transactions. These fees are not included within the wrap-fee you are charged by our firm.

We do not recommend or offer the wrap program services of other providers. Our investment advisory representatives receive a portion of the advisory fee that you pay us, either directly as a percentage of your overall fee or as their salary from our firm. In cases where our investment advisory representatives are paid a percentage of your overall advisory fee, this may create an incentive to recommend that you participate in a wrap fee program rather than a non-wrap fee program (where you would pay for trade execution costs) or brokerage account where commissions are charged. This is because, in some cases, we may stand to earn more compensation from advisory fees paid to us through a wrap fee program arrangement if your account is not actively traded.

#### **Item 5: Account Requirements & Types of Clients**

We do not impose any requirement(s) to open or maintain an account with our firm.

Types of clients we manage wrap fee accounts on behalf of, include:

- Individuals and High Net Worth Individuals;
- Charitable Organizations;
- Trusts, Estates or Charitable Organizations;
- Investment Companies;
- Other Investment Advisors;
- Pension and Profit Sharing Plans.

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

Our firm will manage accounts through our in-house professionals. Acting as our own portfolio manager(s) for the wrap fee program(s) may create a conflict of interest in that other investment advisory firms may charge the same or lower fees than our firm for similar services. When selecting and reviewing portfolio managers, the following factors provide the basis of our approach:

- past performance;
- investment philosophy;
- market outlook;
- experience of portfolio managers and executive team;
- disciplinary, legal and regulatory histories of the firm and its associates;
- whether established compliance procedures are in place to address at a minimum, insider trading, conflicts of interest, anti-money laundering.

We do not calculate portfolio manager performance. Instead, we rely upon the performance figures based on client's monthly or quarterly statements. This information is relied upon for accuracy based on standards which are calculated on a uniform and consistent basis.

**Advisory Business:**

We offer individualized investment advice to clients utilizing our Comprehensive Portfolio Management Wrap Fee Program 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.

See Item 4 for information about our wrap fee advisory program.

**Participation in Wrap Fee Programs.**

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.

**Performance-Based Fees & Side-By-Side Management.**

We do not charge performance fees to our clients.

**Methods of Analysis, Investment Strategies & Risk of Loss**

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

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.

**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 them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

**Item 7: Client Information Provided to Portfolio Manager(s)**

We are required to describe the information about you that we communicate to your portfolio manager(s), and how often or under what circumstances we provide updated information. Our firm communicates with your portfolio manager(s) on a regular basis as needed (daily, weekly, monthly, etc) to ensure your most current investment goals and objectives are understood by your portfolio manager(s). In most cases, we will communicate such information as part of our regular investment management duties. Nevertheless, we will also communicate information to your portfolio manager(s) when you ask us to, when market or economic conditions make it prudent to do so, etc.

**Item 8: Client Contact with Portfolio Manager(s)**

Clients are always free to directly contact their portfolio manager(s) with any questions or concerns they have about their portfolios or other matters.

**Item 9: Additional Information**

We have determined that our firm and management have no disciplinary information to disclose.

Representatives of our firm are registered representatives of LPL Financial, member FINRA/SIPC. They may offer securities and receive 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 receives 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.

### **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

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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.



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.

### **Review of Accounts**

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We review accounts at least on an annual basis for our clients subscribing to our Comprehensive Portfolio Management Wrap Fee Program 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 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.

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 meet with clients who subscribe to our Comprehensive Portfolio Management Wrap Fee Program service.

### **Client Referrals & Other Compensation**

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#### **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 in *Item 12 – Brokerage Practices* of the Form ADV Part 2A. 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 does not pay 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.

### **Financial Information**

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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.