

**Registered as: Private Wealth LLC**

# PRIVATE WEALTH

**Form ADV Part 2A – Disclosure Brochure**

**Effective: February 15, 2018**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Private Wealth LLC DBA Private Wealth (“Private Wealth” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (888) 242-5740 or by email at [robert.franskousky@lpl.com](mailto:robert.franskousky@lpl.com).

Private Wealth is a registered investment advisor with the U.S. Securities and Exchange Commission located in the State of Florida. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about Private Wealth to assist you in determining whether to retain the Advisor.

Additional information about Private Wealth and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 293126.

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**<http://private-wealth.us>**

## Item 2 – Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of Private Wealth. For convenience, we have combined these documents into a single disclosure document.

Private Wealth believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. Private Wealth encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

Private Wealth is a newly formed registered investment advisor. This is the initial filing of the Disclosure Brochure.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 293126. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (888) 242-5740 or by email at [robert.franskousky@lpl.com](mailto:robert.franskousky@lpl.com).

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## **Item 4 – Advisory Services**

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### **A. Firm Information**

Private Wealth LLC DBA Private Wealth (“Private Wealth” or the “Advisor”) is a registered investment advisor with the SEC located in the State of Florida, which is organized as a Limited Liability Company (LLC) under the laws of the State of Florida. Private Wealth was founded in January 2018, and is owned and operated by David J. Vigil and Robert R. Franskousky. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Private Wealth.

**Robert R. Franskousky, CFP®, CDFA™, PPC™, AIF®**  
**Managing Principal, Private Wealth Advisor & Chief Compliance Officer**

Robert R. Franskousky is a Managing Principal, Chief Compliance Officer and Wealth Advisor for the “Private Wealth” practice group. He has 30 years of wealth management and executive banking experience with prominent financial firms including, Morgan Stanley Smith Barney, Merrill Lynch, SouthTrust Bank, KeyBank, Fifth Third Bank and Barnett Bank. He has been in his current role since 2010.

Robert's extensive professional expertise is evidenced by the numerous professional designations he has received. He holds the CERTIFIED FINANCIAL PLANNER™ designation, Certified Divorce Financial Analyst™ designation, Accredited Investment Fiduciary® and a Professional Plan Consultant™ designations, as well as the following registrations with LPL Financial: General Securities Representative Registration Series 7, General Sales Supervisor Registration series 9 & 10, Managed Futures Registration Series 31, and Life, Health and Variable Annuity Licenses.

Robert is an Accredited Investment Fiduciary® making a commitment to always put his clients' interests first. Robert received an MBA and BSBA from Duquesne University in Pennsylvania. Rob spends an enormous amount of time inspiring, connecting, engaging and supporting volunteers. Current and past organizational involvement includes: The Jacksonville Chamber of Commerce, Volunteer Jacksonville, Inc. (NKA Hands On Jacksonville), Leadership Jacksonville, Inc., The Ponte Vedra Beach Rotary Club, The Boys and Girls Clubs of Northeast Florida, The United Way of Northeast Florida, Inc., Cathedral Arts Project, Inc., The University of North Florida Educational Council, and the Association for Corporate Growth. Rob has been honored by being a recipient of the George Bush Presidential Volunteer Award, The Book of Golden Deeds Award by the Exchange Club, One of Twelve Who Care by a local TV station, One of Top 40 under 40, A Distinguished Service Award by the Boys and Girls Club and numerous other awards. He and his wife, Jill reside in South Ponte Vedra Beach, Florida and have two daughters – Jill, a graduate student who is enrolled in a global MBA program in Germany, Poland and China. – Kate, Cameron, PhD. (University of Florida) who works as a pharmacist. Kate gave Rob his first granddaughter, Reese in 2016.

**David J. Vigil, CFP®, CIMA®**  
**Managing Director, Private Wealth Advisor**

David works with a wide array successful families, business owners, corporate executives investing and managing money working with client individually to ensure he understands their current situation, personal feelings, family dynamics and financial goals.

David began his Financial Advisor career at UBS in 2004 as Financial Advisor and has worked at Morgan Stanley and SunTrust in the Ponte Vedra Beach, FL area.

Prior to his investment career David served as a Supply Specialist in the US Army and as the Head Golf Professional at Sawgrass Country Club.

A graduate of Central Washington University with a degree in Accounting, David attended the Wharton Business School to attain CIMA®, Certified Investment Management Analyst<sup>SM</sup> designation and also holds the CFP®, CERTIFIED FINANCIAL PLANNER PRACTITIONER™ designation. David married to his wife Vicky who together have an adult daughter Baylee.

David is an active member in the Ponte Vedra Community having as a youth basketball coach at the YMCA and assisting with the First Tee of Jacksonville. In his spare time, David enjoys Golfing, and competing as a Triathlete.

## **B. Advisory Services Offered**

Private Wealth offers investment advisory services to individuals, high net worth individuals, trusts, estates, businesses, retirement plans, in the State of Florida and other states (each referred to as a "Client").

### Investment Management Services

Private Wealth provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. Private Wealth works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Private Wealth will then construct a portfolio, consisting of low-cost, diversified mutual funds and/or exchange-traded funds ("ETFs") to achieve the Client's investment goals. The Advisor may also utilize individual stocks, bonds or options contracts to meet the needs of its Clients. The Advisor may retain certain types of investments based on a Client's legacy portfolio construction.

Private Wealth's investment strategy[ies] is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. Private Wealth will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to acceptance by the Advisor.

Private Wealth evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Private Wealth may recommend, on occasion, redistributing investment allocations to diversify the portfolio. Private Wealth may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. Private Wealth may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

At no time will Private Wealth accept or maintain custody of a Client's funds or securities, except for authorized deduction of the Advisor's fees. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client investment advisory agreement. Please see Item 12.

### Financial Planning Services

Private Wealth will typically provide a variety of financial planning and consulting services to Clients, pursuant to a written financial planning agreement. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

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A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs.

Private Wealth may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a conflict between the interests of the Advisor and the interests of the Client. For example, a recommendation to engage the Advisor for investment management services or to increase the level of investment assets with the Advisor would pose a conflict, as it would increase the advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect the transaction through the Advisor.

### **C. Client Account Management**

Prior to engaging Private Wealth to provide investment advisory services, each Client is required to enter into an investment advisory agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Private Wealth, in connection with the Client, may a strategy that seeks to achieve the Client's goals and destinations. The strategy is designed to address the Client's personal goals, investment goals, and both long-term and short-term objectives.
- Asset Allocation – Private Wealth, will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance of risk for each Client.
- Portfolio Construction – Private Wealth, will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Private Wealth, will provide investment management and ongoing oversight of the Client's relationship's investment portfolio.

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

Private Wealth includes securities transaction fees together with its investment advisory fees. Including these fees into a single asset-based fee is considered a "Wrap Fee Program". The Advisor customizes its investment management services for its Clients. The Advisor sponsors the Private Wealth Wrap Fee Program solely as a supplemental disclosure regarding the combination of fees. Depending on the level of trading required for the Client's account[s] in a particular year, the Client may pay more or less in total fees than if the Client paid its own transaction fees. Please see Appendix 1 –Wrap Fee Program Brochure, which is included as a supplement to this Disclosure Brochure.

### **E. Assets Under Management**

Private Wealth is a newly established advisor. Assets under management shall be reported following the Advisor's December 31, 2018 fiscal year end. Clients may request more current information at any time by contacting the Advisor.

## Item 5 – Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into a written agreement with the Advisor.

### A. Fees for Advisory Services

#### Investment Management Services

Investment advisory fees are paid quarterly in advance pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of the prior calendar quarter. Investment advisory fees are based on the scope and complexity of a particular client but generally do not exceed 2.5% for a non-wrap fee program and 2.75% for a wrap fee program.

Fees may vary from the above fee schedule depending on the nature and complexity of each Client's circumstances, or with the inclusion of financial planning or other services, pursuant to the terms of the wealth management agreement. An estimate for the total costs will be determined prior to establishing the advisory relationship.

#### Financial Planning - Hourly and Fixed Fees

Private Wealth offers financial planning services either on an hourly basis or a fixed engagement fee. Hourly engagements generally range from \$100 to \$450 per hour. Fixed fee engagements generally range from \$250 to \$10,000. Fees may exceed \$10,000 as circumstances may warrant. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and total costs will be provided to the Client prior to engaging for these services.

### B. Fee Billing

#### Investment Management Services

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client's account(s) based on the following formula:  $[\text{Quarter End Value} \times \text{Advisory Fee}] / 360 \times 90 \text{ Days} = \text{Advance Billing}$ .

#### Financial Planning Services

Financial planning fees may be invoiced up to fifty percent (50%) of the expected total fee upon execution of the financial planning agreement. The balance shall be invoiced upon completion of the agreed upon deliverable[s].

### C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. Private Wealth includes securities transactions costs as part of its overall investment advisory fee through the Private Wealth Wrap Fee Program. Securities transaction fees for Client-directed trades may be charged back to the Client. Please see Item 4.D. above as well as Appendix 1 – Wrap Fee Program Brochure.

In addition, all fees paid to Private Wealth for investment advisory services or part of the Private Wealth Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of Private Wealth, but would not receive the services provided by Private Wealth which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Private Wealth to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

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## **D. Advance Payment of Fees and Termination**

### Investment Management Services

Private Wealth is compensated for its services in advance of the quarter in which investment advisory services are rendered. Either party may terminate the investment advisory agreement by providing advance written notice to the other party. The Client may terminate the investment advisory agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid investment advisory fees from the effective date of termination to the end of the quarter. The Client's investment advisory agreement with the Advisor is non-transferable without the Client's prior approval.

### Financial Planning Services

Private Wealth requires an advance deposit as described above. Either party may terminate the financial planning agreement by providing advance written notice to the other party. The Client may terminate the financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Upon termination, the Client shall be either billed for actual hours logged on the planning project times the contractual hourly rate or in the case of a fixed fee engage, the percentage of the engagement scope completed by the Advisor or unearned, prepaid planning fees from the effective date of termination will be refunded. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior approval.

## **E. Compensation for Sales of Securities**

Certain Advisory Persons are also registered representatives of LPL Financial LLC ("LPL"). LPL is a registered broker-dealer (CRD No. 6413), a member FINRA/SIPC. In one's separate capacity as a registered representative of LPL the Advisory Person may implement securities transactions through LPL, not through Private Wealth. In such instances, the Advisory Person will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by the Advisory Person in one's capacity as a registered representative is separate and in addition to the Advisor's fees. This practice presents a conflict of interest because the Advisory Person who is a registered representative has an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on the Client. Clients are not obligated to implement any recommendation provided by the Advisor nor Advisory Persons. Neither the Advisor nor Advisory Persons will earn ongoing investment advisory fees in connection with any products or services implemented in the Advisory Person's separate capacity as a registered representative. Please see "Item 10 – Other Financial Industry Activities and Affiliations".

Certain Advisory Persons are also licensed as independent insurance professionals. As an independent insurance professional, they can earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because the person providing investment advice on behalf of the Advisor who is also an insurance agent has an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any Advisory Person affiliated with the Advisor.

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

Private Wealth does not charge performance-based fees for its investment advisory services. The fees charged by Private Wealth are as described in "Item 5 – Fees and Compensation" above and are not based upon the capital appreciation of the funds or securities held by any Client.

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Private Wealth does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## **Item 7 – Types of Clients**

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Private Wealth offers investment advisory services to individuals, high net worth individuals in State of Florida and other states. The percentage of each type of Client is available on Private Wealth's Form ADV Part 1A. These percentages may change over time and are updated at least annually by the Advisor. Private Wealth generally does not impose a minimum account size for establishing a relationship.

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

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### **A. Methods of Analysis**

Private Wealth primarily employs a fundamental, technical, cyclical, behavioral, charting analysis methods in developing investment strategies for its Clients. Research and analysis from Private Wealth is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

#### **Fundamental**

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

#### **Technical**

Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends, which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Private Wealth will be able to accurately predict such a reoccurrence.

#### **Cyclical**

Cyclical analysis is similar to technical analysis in that it involves the analysis of market conditions at a macro (entire market/economy) or micro (company specific) level, rather than the overall fundamental analysis of the health of the particular company that Private Wealth is recommending. The risks with cyclical analysis are similar to those of technical analysis.

#### **Charting**

Charting analysis utilizes various market indicators as investment selection criteria. These criteria are generally pricing trends that may indicate movement in the markets. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the technical and charting analysis may lose value and may have negative investment performance. The Advisor monitors these market indicators to determine if adjustments to strategic allocations are appropriate.

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As noted above, Private Wealth generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. Private Wealth will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, Private Wealth may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Private Wealth will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in "Item 13 – Review of Accounts".

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

- **Market Risk** – the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.
- **Interest Rate Risk** – the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** – the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Business Risk** – the measure of risk associated with a particular security. It is also known as unsystematic risk and refers to the risk associated with a specific issuer of a security. Generally speaking, all businesses in the same industry have similar types of business risk. More specifically, business risk refers to the possibility that the issuer of a particular company stock or a bond may go bankrupt or be unable to pay the interest or principal in the case of bonds.
- **Taxability Risk** – the risk that a security that was issued with tax-exempt status could potentially lose that status prior to maturity. Since municipal bonds carry a lower interest rate than fully taxable bonds, the bond holders would end up with a lower after-tax yield than originally planned.
- **Call Risk** – the risk specific to bond issues and refers to the possibility that a debt security will be called prior to maturity. Call risk usually goes hand in hand with reinvestment risk because the bondholder must

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find an investment that provides the same level of income for equal risk. Call risk is most prevalent when interest rates are falling, as companies trying to save money will usually redeem bond issues with higher coupons and replace them on the bond market with issues with lower interest rates.

- **Inflationary Risk** – the risk that future inflation will cause the purchasing power of cash flow from an investment to decline.
- **Liquidity Risk** – the possibility that an investor may not be able to buy or sell an investment as and when desired or in sufficient quantities because opportunities are limited.
- **Market Risk** – the risk that will affect all securities in the same manner caused by some factor that cannot be controlled by diversification.
- **Reinvestment Risk** – the risk that falling interest rates will lead to a decline in cash flow from an investment when its principal and interest payments are reinvested at lower rates.
- **Social/Political** – the possibility of nationalization, unfavorable government action or social changes resulting in a loss of value.
- **Legislative Risk** – the risk of a legislative ruling resulting in adverse consequences.
- **Currency/Exchange Rate Risk** – the risk of a change in the price of one currency against another.
- **Concentrated Risk** – Concentrated portfolios are an aggressive and highly volatile approach to trading and investing and should be viewed as complementary to a stable, highly predictable investment approach. Concentrated portfolios hold fewer different stocks than a diversified portfolio and are much more likely to experience sudden dramatic price swings. In addition, the rise or drop in price of any given holding in the portfolio is likely to have a larger impact on portfolio performance, than a more broadly diversified portfolio.
- **Frequent Trading Risk** – Frequent trading in securities can result in higher transaction costs in the Client's account[s]. For taxable accounts, frequent trading can also result in taxable transactions each year that would not be present in a buy-and-hold strategy. There are no guarantees that a frequent trading strategy will correctly time purchases and sales of any particular security.

There are different types of investments that involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Past performance is not indicative of future results.

#### **Types of Investments (Examples, not limitations)**

- **Mutual Funds** – a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.
- **Open-End Mutual Funds** – a type of mutual fund that does not have restrictions on the amount of shares the fund will issue and will buy back shares when investors wish to sell. Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

- **Closed-End Mutual Funds** – a type of mutual fund that raises a fixed amount of capital through an initial public offering (IPO). The fund is then structured, listed and traded like a stock on a stock exchange. Clients should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- **Alternative Strategy Mutual Funds** – Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.
- **Unit Investment Trust (UIT)** – An investment company that offers a fixed, unmanaged portfolio, generally of stocks and bonds, as redeemable "units" to investors for a specific period of time. It is designed to provide capital appreciation and/or dividend income. UITs can be resold in the secondary market. A UIT may be either a regulated investment corporation (RIC) or a grantor trust. The former is a corporation in which the investors are joint owners; the latter grants investors proportional ownership in the UIT's underlying securities.
- **Equity** – investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environment.
- **Exchange Traded Funds (ETFs)** – an ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.
- **Exchange-Traded Notes (ETNs)** – An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.
- **Fixed Income** – investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and

other asset-backed securities, although individual bonds may be the best-known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

- **Options** – Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- **Options Trading/Writing** – is a securities transaction that involves buying or selling (writing) an option. If you write an option and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option. Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.
- **Structured Products** – Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.
- **Hedge Funds and Managed Futures** – Hedge and managed futures funds are available for purchase in the program by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve

complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.

- **Annuities** – are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.
- **Variable Annuities** – If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- **Non-U.S. Securities** – present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.
- **Margin Accounts** – Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. The custodian, acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports. • **Long-Term Purchases** – are securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- **Short-Term Purchases** – are securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. Other investment types may be included as appropriate for a particular client and their respective trading objectives.
- **Options Contracts** – Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.
- **Margin Borrowings** – The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.
- **Short Sales** – A short sale involves the sale of a security that the Client does not own in the hope of purchasing the same security at a later date at a lower price. To make delivery to the buyer, the Client must borrow the security and is obligated to return the security to the lender, which is accomplished by a later purchase of the security. The Client realizes a profit or a loss as a result of a short sale if the price



of the security decreases or increases respectively between the date of the short sale and the date on which the Client covers its short position, i.e., purchases the security to replace the borrowed security. A short sale involves the theoretically unlimited risk of an increase in the market price of the security that would result in a theoretically unlimited loss.

- **Alternative Investments (Limited Partnerships)** – The performance of alternative investments (limited partnerships) can be volatile and may have limited liquidity. An investor could lose all or a portion of their investment. Such investments often have concentrated positions and investments that may carry higher risks. Client should only have a portion of their assets in these investments.
- **Real Estate Investment Trusts (“REITs”)** – Investing in Real Estate Investment Trusts (“REITs”) involves certain distinct risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of credit extended. REITs are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs, especially mortgage REITs, are also subject to interest rate risk (i.e., as interest rates rise, the value of the REIT may decline).

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

#### **Item 9 – Disciplinary Information**

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There are no legal, regulatory or disciplinary events that require disclosure. Securities laws require an advisor to disclose any instances where the Advisor or its Advisory Persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices.

Background information of the management team is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching by our firm name or our CRD# 293126.

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

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##### Broker-Dealer Affiliation

As noted in Item 5, certain Advisory Persons are also a registered representative of LPL Financial LLC (“LPL”). LPL is a registered broker-dealer (CRD No. 6413), member FINRA/SIPC. In one’s separate capacity as a registered representative, commissions are paid for the implementation of recommendations for commissionable transactions. Clients are not obligated to implement any such recommendations. Ongoing investment advisory fees are not also earned in connection with services implemented as a registered representative.

##### Insurance Agency Affiliations

As noted in Item 5, Certain Advisory Persons are also a licensed insurance professional. Implementations of insurance recommendations are separate and apart from one’s role with Private Wealth. As an insurance professional, Advisory Persons receive customary commissions and other related revenues from the various insurance companies whose products are sold. Advisory Persons is not required to offer the products of any particular insurance company. Commissions generated by insurance sales do not offset regular advisory fees. This may cause a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any such recommendations.



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

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

Private Wealth has implemented a Code of Ethics (the “Code”) that defines our fiduciary commitment to each Client. This Code applies to all persons associated with Private Wealth (our “Supervised Persons”). The Code was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Private Wealth and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Private Wealth’s Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of our Code, please contact us at (888) 242-5740 or via email at [robert.franskousky@lpl.com](mailto:robert.franskousky@lpl.com).

### **B. Personal Trading with Material Interest**

Private Wealth allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Private Wealth does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advise an investment company. Private Wealth does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

Private Wealth allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. When trading for personal accounts, Supervised Persons may have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can potentially be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Private Wealth requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer (“CCO”) or delegate/OR by conducting a coordinated review of personal accounts and the accounts of the Clients. We have also adopted written policies and procedures to detect the misuse of material, non-public information.

### **D. Personal Trading at Same Time as Client**

While Private Wealth allows our Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards. At no time will Private Wealth, or any Supervised Person of Private Wealth, transact in any security to the detriment of any Client.

## **Item 12 – Brokerage Practices**

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### **A. Recommendation of Custodian[s]**

Private Wealth will recommend that Clients establish their account[s] at LPL Financial LLC (“LPL”) a FINRA-registered broker/dealer and member SIPC. LPL will serve as the Client’s “qualified custodian”.

As registered representatives of LPL, the Advisor is prohibited from using other broker-dealers.

Following are additional details regarding the brokerage practices of the Advisor:

- 1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other

services. Private Wealth **does not participate in soft dollar programs sponsored or offered by any broker-dealer. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14.**

**2. Brokerage Referrals** - Private Wealth does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. Private Wealth will execute its transactions through an unaffiliated broker-dealer selected by the Client. Private Wealth may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts in the same trading day. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Client accounts.

## **Item 13 – Review of Accounts**

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### **A. Frequency of Reviews**

Securities in Client accounts are monitored on a regular and continuous basis by Robert R. Franskousky, Chief Compliance Officer of Private Wealth. Formal reviews are generally conducted at least annually or more or less frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify Private Wealth if changes occur in the Client's personal financial situation that might adversely affect the Client's investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

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

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### **A. Compensation Received by Private Wealth**

Private Wealth is a fee-based advisory firm, that is compensated solely by its Clients and not from any investment product. Private Wealth does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. Private Wealth may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, Private Wealth may receive non-compensated referrals of new Clients from various third-parties.

## **B. Client Referrals from Solicitors**

Private Wealth engages and compensates unaffiliated third-party referral sources (a “solicitor”) for Client referrals in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements.

- The Advisor shall enter into an agreement with the solicitor, which requires that full disclosure of the compensation and other conflicts is provided at or before the time of entering into the advisory agreement.
- Any such referral fee shall be paid solely from the investment management fees earned by Private Wealth and shall not result in any additional charge to the Client.

## **Item 15 – Custody**

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Private Wealth does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor’s fees. All Clients must place their assets with a qualified Custodian. Clients are required to engage the Custodian to retain their funds and securities and direct Private Wealth to utilize that Custodian for the Client’s security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by Private Wealth to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see “Item 12 - Brokerage Practices”.

## **Item 16 – Investment Discretion**

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Private Wealth generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Private Wealth. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client’s execution of an investment advisory agreement containing all applicable limitations to such authority. All discretionary trades made by Private Wealth will be in accordance with each Client’s investment objectives and goals.

## **Item 17 – Voting Client Securities**

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Private Wealth does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 – Financial Information**

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Neither Private Wealth nor its management, have any adverse financial situations that would reasonably impair the ability of Private Wealth to meet all obligations to its Clients. Private Wealth is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance. Robert R. Franskousky declared personal bankruptcy on 04/16/2015 as a strategy to resolve an employment contract dispute. It was discharged on 08/10/2015.

# Private Wealth

## Form ADV Part 2A – Appendix 1 ("Wrap Fee Brochure")

**Effective:** February 15, 2018

This Form ADV2A - Appendix 1 ("Wrap Fee Brochure") provides information about the qualifications and business practices for Private Wealth LLC DBA Private Wealth ("David Vigil and" or the "Advisor") services when offering services pursuant to a wrap program. This Wrap Fee Brochure shall always be accompanied by the Private Wealth Disclosure Brochure, which provides complete details on the business practices of the Advisor. If you did not receive the complete Private Wealth Disclosure Brochure or you have any questions about the contents of this Wrap Fee Brochure or the Private Wealth Disclosure Brochure, please contact us at (888) 242-5740 or by email at [robert.franskousky@jpl.com](mailto:robert.franskousky@jpl.com).

Private Wealth is a registered investment advisor with the U.S. Securities and Exchange Commission ("SEC") located in the State of Florida. The information in this Wrap Fee Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Wrap Fee Brochure provides information about Private Wealth to assist you in determining whether to retain the Advisor.

Additional information about Private Wealth and its advisory persons are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 293126.

## **Item 2 – Material Changes**

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Form ADV 2 - Appendix 1 provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. In particular, this Wrap Fee Brochure discusses wrap fee programs offering by the Advisor.

### Material Changes

Private Wealth is a newly formed registered investment advisor. This is the initial filing of the Disclosure Brochure.

### Future Changes

From time to time, we may amend this Wrap Fee Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Wrap Fee Brochure (along with the complete Disclosure Brochure) or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Private Wealth.

At any time, you may view this Wrap Fee Brochure and the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 293126. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (888) 242-5740 or by email at [robert.franskousky@lpl.com](mailto:robert.franskousky@lpl.com).

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#### **Private Wealth LLC**

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### **Item 3 – Table of Contents**

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## Item 4 – Services Fees and Compensation

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### A. Services

Private Wealth provides customized investment advisory services for its Clients. This Wrap Fee Program Brochure is provided as a supplement to the Private Wealth Disclosure Brochure (Form ADV 2A). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting Private Wealth as your investment advisor.

As part of the investment advisory fees noted in Item 5 of the Disclosure Brochure, Private Wealth includes normal securities transaction fees as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program”. The Advisor sponsors the Private Wealth Wrap Fee Program.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of securities transaction fees into the single “bundled” investment advisory fee. This Wrap Fee Program Brochure references back to the Private Wealth Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Services of the Disclosure Brochure for details on Private Wealth’s investment philosophy and related services.**

### B. Program Costs

Advisory services provided by Private Wealth are offered in a wrap fee structure whereby normal securities transaction costs are included in the overall investment advisory fee paid to Private Wealth. As the level of trading in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the transactions costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on services to be provided to each Client, however, the Client is not charged more if there is higher trading activity in the Client’s account[s]. A Wrap Fee structure has a potential conflict of interest as the Advisor may have an incentive to limit the number of trades placed in the Client’s account[s]. **Please see Item 5 – Fees and Compensation of the Disclosure Brochure for complete details on fees.**

### C. Fees

Investment advisory fees are paid quarterly in advance pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the following schedule:

Fees may vary from the above fee schedule depending on the nature and complexity of each Client’s circumstances, or with the inclusion of financial planning or other services, pursuant to the terms of the wealth management agreement. An estimate for the total costs will be determined prior to establishing the advisory relationship.

Investment advisory fees are calculated by the Advisor or its delegate and deducted from the Client’s account(s) based on the following formula:  $[\text{Quarter End Value} \times \text{Advisory Fee}] / 360 \times 90 \text{ Days} = \text{Advance Billing}$ . advisory fees range from 2.5 to .50 annually based on several factors, including: the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with the Advisor. Relationships with multiple objectives, specific reporting requirements, portfolio restrictions and other complexities may be charged a higher fee.

The investment advisory fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. The Client’s fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by Private Wealth will be independently valued by the designated Custodian. Private Wealth will not have the authority or responsibility to value portfolio securities.



As noted above, the Wrap Fee Program includes normal securities trading costs incurred in connection with the discretionary investment management services provided by Private Wealth. Securities transaction fees for Client-directed trades may be charged back to the Client.

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. Under this Wrap Fee Program, Private Wealth includes securities transactions costs as part of its overall investment advisory fee.

In addition, all fees paid to Private Wealth for investment advisory services or part of the Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client may also incur other costs assessed by the Custodian or other parties for account related activity fees, such as wire transfer fees, fees for trades executed away from the Custodian and other fees. The Advisor does not control nor share in these fees. The Client should review both the fees charged by the fund[s] and the fees charged by Private Wealth to fully understand the total fees to be paid. Please see Item 5.C. – Other Fees and Expenses in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### **D. Compensation**

Private Wealth is the sponsor and portfolio manager of this Wrap Fee Program. Private Wealth receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the Custodian for the costs associated with the normal trading activity in the Client's account[s].

### **Item 5 – Account Requirements and Types of Clients**

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Private Wealth offers investment advisory services to individuals, high net worth individuals. Private Wealth generally does not impose a minimum account size for establishing a relationship. Please see Item 7 – Types of Clients in the Disclosure Brochure for additional information.

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

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#### **Portfolio Manager Selection**

Private Wealth serves as sponsor and as portfolio manager for the services under this Wrap Fee Program.

#### **Related Persons**

Private Wealth personnel serve as portfolio managers for this Wrap Fee Program. Private Wealth does not serve as a portfolio manager for any third-party wrap fee programs.

#### **Performance-Based Fees**

Private Wealth does not charge performance-based fees.

#### **Supervised Persons**

Private Wealth Advisory Persons serve as portfolio managers for all accounts, including the services described in this Wrap Fee Brochure. Details of the advisory services provided are included in Item 4.A. of the Disclosure Brochure.

#### **Methods of Analysis**

Please see Item 8 of the Disclosure Brochure (included with this Wrap Fee Brochure) for details on the research and analysis methods employed by the Advisor.

**Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Private Wealth will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account[s]. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. Please see Item 8.B. – Risk of Loss in the Disclosure Brochure for details on investment risks.**

**Proxy Voting**

Private Wealth does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

**Item 7 – Client Information Provided to Portfolio Managers**

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Private Wealth is the sponsor and sole portfolio manager for the Program. The Advisor does not share Client information with other portfolio managers because it is the sole portfolio manager for this Wrap Fee Program. Please also see the Private Wealth Privacy Policy (included after this Wrap Fee Program Brochure).

**Item 8 – Client Contact with Portfolio Managers**

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Private Wealth is a full-service investment management advisory firm. Clients always have direct access to the Portfolio Managers at Private Wealth.

**Item 9 – Additional Information**

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**A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

Private Wealth values the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider with whom you partner. Our backgrounds are on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching for our firm name or by our CRD# 293126. Please see Item 9 of the Private Wealth Disclosure Brochure as well as Item 3 of each Advisory Person's Brochure Supplement (included with this Wrap Fee Program Brochure) for additional information on how to research the background of the Advisor and its Advisory Persons.

**Other Financial Activities and Affiliations**

Please see Items 10 and 14 of the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure).

**B. Code of Ethics, Review of Accounts, Client Referrals, and Financial Information**

Private Wealth has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons subject to Private Wealth's compliance program (our "Supervised

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Private Wealth LLC

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Persons"). Complete details on the Private Wealth Code of Ethics can be found under Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### Review of Accounts

Investments in Client accounts are monitored on a regular and continuous basis by Advisory Persons of Private Wealth under the supervision of the Chief Compliance Officer ("CCO"). Details of the review policies and practices are provided in Item 13 of the Form ADV Part 2A – Disclosure Brochure.

Please see Item 14 – Other Compensation in the Form ADV Part 2A – Disclosure Brochure (included with this Wrap Fee Brochure) for details on additional compensation that may be received by Private Wealth or its Advisory Persons. Each Advisory Person's Brochure Supplement (also included with this Wrap Fee Brochure) provides details on any outside business activities and the associated compensation.

#### Client Referrals from Solicitors

Private Wealth does not engage paid solicitors for Client referrals.

#### Financial Information

Neither Private Wealth nor its management has any adverse financial situations that would reasonably impair their ability to meet all obligations to its Clients. Private Wealth is not required to deliver a balance sheet along with this Disclosure Brochure, as the firm does not collect advance fees of \$1,200 or more for services to be performed six months or more in advance. Please see Item 18 of the Form ADV Part 2A – Disclosure Brochure. Robert R. Franskousky declared personal bankruptcy on 04/16/2015 as a strategy to resolve an employment contract dispute. It was discharged on 08/10/2015.

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## Privacy Policy

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Effective: February 15, 2018

### Our Commitment to You

Private Wealth LLC DBA Private Wealth ("Private Wealth" or the "Advisor") is committed to safeguarding the use of personal information of our Clients (also referred to as "you" and "your") that we obtain as your Investment Advisor, as described here in our Privacy Policy ("Policy").

Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything that we can to maintain that trust. Private Wealth (also referred to as "we", "our" and "us") protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you.

Private Wealth does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and reasonable business purposes in connection with the servicing and management of our relationship with you, as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") must share some of your personal information in the course of servicing your account. Federal and State laws give you the right to limit some of this sharing and require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Driver's license number	Date of birth
Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What Information do we collect from other sources?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information. We require third parties that assist in providing our services to you to protect the personal information they receive from us.

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### How do we share your information?

An RIA shares Client personal information to effectively implement its services. In the section below, we list some reasons we may share your personal information.

Basis For Sharing	Do we share?	Can you limit?
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as administrators, brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed upon services to you, consistent with applicable law, including but not limited to: processing transactions; general account maintenance; responding to regulators or legal investigations; and credit reporting.	Yes	No
<b>Marketing Purposes</b> Private Wealth does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where Private Wealth or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	No	Not Shared
<b>Authorized Users</b> Your non-public personal information may be disclosed to you and persons that we believe to be your authorized agent(s) or representative(s).	Yes	Yes
<b>Information About Former Clients</b> Private Wealth does not disclose and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our Clients.	No	Not Shared

### Changes to our Privacy Policy

We will send you a copy of this Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise this Policy, and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### Any Questions?

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (888) 242-5740 or via email at [robert.franskousky@lpl.com](mailto:robert.franskousky@lpl.com).