



## WMG FINANCIAL ADVISORS, LLC Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of WMG Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (865) 290-4000 or by email at: [edewan@wmgfa.com](mailto:edewan@wmgfa.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 WMG Financial Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). WMG Financial Advisors, LLC's CRD number is: 285824.*

620 Mabry Hood Road, Suite 101  
Knoxville, TN 37932  
(865) 290-4000  
[edewan@wmgfa.com](mailto:edewan@wmgfa.com)  
<https://www.wmgfa.com>

*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

The material changes in this brochure from the last annual updating amendment of WMG Financial Advisors, LLC on February 20, 2019 are described below. Material changes relate to WMG Financial Advisors, LLC's policies, practices or conflicts of interests.

- Item 5: This item was updated to decrease the maximum financial planning fee from \$25,000 to \$10,000.
- This firm updated their website address. (Front Page)
- This firm offers Portfolio management services. (Item 4 & Item 5)
- The firm added a disclosure in Item 8.C regarding Unit Investment Trusts.
- The firm has updated Item 10.C to add Jack Palmer and Ben Barnett.
- The firm has update Item 10.C to remove reference to Michael Alan Burnette as a registered representative.
- The firm has update Item 10.C to remove reference to Robert Lloyd Sheets as an independent licensed insurance agent.
- The firm has update Item 10.C to remove reference to Benjamin S Barnett as an investment adviser representative with another firm.
- The firm has updated Item 10.C regarding outside business activities.
- Item 14.A Additional Services providers has been updated
- This firm updated their phone number. (Front Page)
- The firm has transitioned to registration with the United States Securities and Exchange Commission from its prior registration at the state level.

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Item 1: Cover Page

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

WMG Financial Advisors, LLC (hereinafter “WMG”) is a Limited Liability Company organized in the State of Tennessee. The firm was formed in December 2004, and the principal owner is Dieter William Bergner.

### B. Types of Advisory Services

#### *Portfolio Management Services*

WMG offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. WMG creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

WMG evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

WMG seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of WMG’s economic, investment or other financial interests. To meet its fiduciary obligations, WMG attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and, accordingly, WMG’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is WMG’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent that might have a limited supply, among its clients on a fair and equitable basis over time.

#### *Retirement Plan Consulting Services*

WMG offers consulting services retirement plans (including but not limited to 401(k) plans and Cash Balance plans). Retirement plan consulting may include, but is not limited to:

- Identifying investment objectives and restrictions
- Providing guidance on various assets classes and investment options
- Recommending platforms to manage plan assets in ways designed to achieve objectives
- Monitoring performance of investment options

- Recommending other service providers such as third party administrators

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Selection of Other Advisers***

WMG may direct clients to third-party investment advisers. Before selecting other advisers for clients, WMG will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where WMG is recommending the adviser to clients.

### ***Services Limited to Specific Types of Investments***

WMG generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds. WMG may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

WMG offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client's current situation (income, tax levels, and risk tolerance levels). Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

## **D. Wrap Fee Programs**

WMG participates in wrap fee programs, which are investment programs where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. WMG manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than non-wrap fee accounts. Fees paid under the wrap fee program will be given to WMG as a management fee.

## **E. Assets Under Management**

WMG has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$206,432,617	\$99,076,750	December 2019

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

### **A. Fee Schedule**

#### *Portfolio Management Services Fees*

Total Assets Under Management	Maximum Annual Fee
All Assets	2.00%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract.

WMG uses the last day of previous quarter for purposes of determining the market value of the assets upon which the advisory fee is based. Fees are paid quarterly in advance.

Clients may terminate the agreement without penalty for a full refund of WMG's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the pension consulting agreement generally with 30 days' written notice. WMG bills based on the balance on the first day of the billing period.

#### *Retirement Plan Consulting Services Fees*

#### **Asset-Based Fees for Retirement Plan Consulting**

Total Assets Under Management	Maximum Annual Fee
All Assets	2.00%

The advisory fee is calculated using the value of the assets on the last business day of the prior billing period

These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the pension consulting agreement.

Clients may terminate the agreement without penalty for a full refund of WMG's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the pension consulting agreement generally with 30 days' written notice. WMG bills based on the balance on the first day of the billing period

### ***Financial Planning Fees***

#### **Fixed Fees**

The negotiated fixed rate for creating client financial plans is between \$1,500 and \$10,000.

Clients may terminate the agreement without penalty, for full refund of WMG's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

#### ***Selection of Other Advisers Fees***

When WMG directs clients to third-party investment advisers, WMG will be compensated via a fee share from the advisers to which it directs those clients. The fees shared are negotiable and will not exceed a total annual advisory fee of 2% or any limit imposed by any regulatory agency. The notice of termination requirement and payment of fees for third-party investment advisers will depend on the specific third-party adviser selected. The client will receive a copy of the ADV Part 2A or wrap fee brochure of the third-party adviser describing that adviser's fees and will also receive a final fee schedule indicating our fee, the third-party advisor's fee and the total fee.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

### ***Payment of Retirement Plan Consulting Fees***

Asset-based retirement plan consulting fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.



### ***Payment of Financial Planning Fees***

Financial planning fees are paid via check.

Fixed financial planning fees are paid 100% in advance, but never more than six months in advance.

### ***Payment of Selection of Other Advisers Fees***

Fees for selection of third-party investment advisers are withdrawn by the third-party adviser directly from client accounts. WMG then receives its portion of the fees from the third-party advisor; WMG does not directly deduct these advisory fees.

### **C. Client Responsibility For Third Party Fees**

WMG will wrap third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). WMG will charge clients one fee, and pay all transaction fees using the fee collected from the client.

### **D. Prepayment of Fees**

WMG collects fees in advance. Refunds for fees paid in advance will be returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

### **E. Outside Compensation For the Sale of Securities to Clients**

Dieter William Bergner is a registered representative of a broker-dealer and an insurance agent and in these roles, accepts compensation for the sale of investment products to WMG clients.

#### ***1. This is a Conflict of Interest***

Supervised persons may accept compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds to WMG's clients. This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of investment products for which the

supervised persons receives compensation, WMG will document the conflict of interest in the client file and inform the client of the conflict of interest.

## ***2. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase WMG recommended products through other brokers or agents that are not affiliated with WMG.

## ***3. Commissions are not WMG's primary source of compensation for advisory services***

Commissions are not WMG's primary source of compensation for advisory services.

## ***4. Advisory Fees in Addition to Commissions or Markups***

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on investment products recommended to clients.

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

WMG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

# **Item 7: Types of Clients**

WMG generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Retirement and Profit Sharing Plans
- ❖ Corporations or Business Entities

There is no account minimum.

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

## **A. Methods of Analysis and Investment Strategies**

### ***Methods of Analysis***

WMG's methods of analysis include Modern portfolio theory.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

### *Investment Strategies*

WMG uses long term trading.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

### *Investment Strategies*

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **C. Risks of Specific Securities Utilized**

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** 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.

**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 environments.

**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.

**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.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**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.

**Unit Investment Trusts (“UITs”)** are bundled collections of over investments, designed to provide individuals the opportunity to invest in a diversified portfolio of securities with a low initial investment requirement. A UIT is either a regulated investment company (“RIC”) or a grantor trust. [A RIC is a company in which the investors are joint owners, while a grantor trust grants investors proportional ownership in the UIT’s underlying securities.] UITs will, generally speaking, inherit the risks of the underlying securities, and may not be appropriate for investors seeking capital preservation. Unlike mutual funds, UITs are not traded; rather the UIT manager purchases investments and holds them until maturity. UITs carry significant interest rate risk and have liquidity risks that mutual funds do not, plus more complex UITs are also subject to a number of risks that include increased volatility and greater potential for loss.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

As registered representatives of ProEquities Inc., Dieter William Bergner, Mark Ashford, Charles Walter Sells, LuAnn Craft Jarnagin, Roger Dale Davis, Rae Denise Haulk-Davis, Dennis K White, Jason R Witcher, Jack Palmer, and Ben Barnett accept compensation for the sale of securities.

## **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither WMG nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

## **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

### **Broker-Dealer**

Dieter William Bergner, Mark Ashford, Charles Walter Sells, LuAnn Craft Jarnagin, Roger Dale Davis, Rae Denise Haulk-Davis, Dennis K White, Jason R Witcher, Jack Palmer, and Ben Barnett are registered representatives of ProEquities, Inc ("PEI"), member FINRA/SIPC. They will offer clients advice or product from these activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary responsibilities of a registered investment advisor. WMG serves as a branch location for PEI and provides office space to PEI. PEI holds a promissory note from the owner of WMG, Dieter William Bergner, and receives a percentage of the revenues generated by WMG (either as advisory fees or commissions) as repayment of this note. Some WMG clients also have accounts at PEI which are managed by the same representative. WMG always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of WMG in such individuals' capacities as registered representatives.

Additionally, John Wayne Perdue, Jr. and Elizabeth DeWan are registered representatives of PEI; however, they do not act in a sales capacity and do not offer products or services to advisory clients from this activity.

### **Insurance Agent**

Dieter William Bergner, Mark Ashford, Charles Walter Sells, LuAnn Craft Jarnagin, Michael Alan Burnette, Roger Dale Davis, Rae Denise Haulk-Davis, Dennis K White, Jason R Witcher, Jack Palmer, and Ben Barnett are independent licensed insurance agents, and from time to time, will offer clients advice or products from those activities. Those activities are provided through WMG Financial Services, which also shares office space and common ownership with WMG Financial Advisors. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary responsibilities of a registered investment advisor. WMG always acts in the best interest of the client, including with respect to the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services of any representative of WMG in connection with such individuals' capacities as licensed insurance agents.

### **Other Outside Business Activities**

- John Wayne Perdue Jr has been granted power of attorney for his mother.
- LuAnn Craft Jarnagin has been granted power of attorney for her father and her mother.
- LuAnn Craft Jarnagin works as a consultant where she provides human resource consulting and training services.
- Elizabeth DeWan is a notary public.
- Roger Dale Davis is a partner of Rock Foundation Properties, LLC.
- Roger Dale Davis is a partner of Davis Wealth Partners.
- Rae Denise Haulk-Davis is a partner of Davis Wealth Partners.
- Benjamin S Barnett is a minority owner of West Madison Auto.
- Jackson W Palmer is a Certified Public Accountant (CPA).
- Jason R Witcher is a Certified Public Accountant (CPA).
- Jason R Witcher is a reserve police officer (sergeant) at Brandon Police Department.
- Jason R Witcher is a ruling elder and finance chairman at Lakeland Presbyterian Church.
- Jason R Witcher is a member manager at WL Investments LLC, Witcher Properties, LLC, Cypress Capital Group, APEX Enterprises LLC, MS Opportunity Zone Fund 1, LLC, and Heritage Land and Timber LLC.

From time to time, representatives of WMG may offer clients advice or products from those activities and clients should be aware that these services may involve a conflict of interest. WMG always acts in the best interest of the client and clients always have the right to decide whether or not to utilize the services of any representative of WMG in such individual's outside capacities.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

WMG may direct clients to third-party investment advisers. WMG will be compensated via a fee share from the advisers to which it directs those clients. The fees shared will not exceed any limit imposed by any regulatory agency. This creates a conflict of interest in that WMG has an incentive to direct clients to the third-party investment advisers that provide WMG with a larger fee split. WMG will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. WMG will verify that all recommended advisers are properly licensed, notice filed, or exempt in the states where WMG is recommending the adviser to clients.

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

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



WMG has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. WMG's Code of Ethics is available free upon request to any client or prospective client.

## **B. Recommendations Involving Material Financial Interests**

WMG will not recommend to clients, or buy or sell for client accounts, securities in which the firm or a related person has a material financial interest. (Examples of a material financial interest would include: acting as a principal, general partner of a partnership/fund where clients are solicited to invest, or acting as an investment adviser to an investment company that the firm recommends to clients.)

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of WMG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of WMG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. WMG will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of WMG may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of WMG to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, WMG will never engage in trading that operates to the client's disadvantage if representatives of WMG buy or sell securities at or around the same time as clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on WMG's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client



on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and WMG may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in WMG's research efforts. WMG will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker- dealer/custodian.

WMG will recommend clients use TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC- registered broker-dealer and FINRA member or another approved subadvisor.

### ***1. Research and Other Soft-Dollar Benefits***

WMG may receive research, products, or other services from custodians and broker- dealers in connection with client securities transactions ("soft dollar benefits"). WMG may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and WMG does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. WMG benefits by not having to produce or pay for the research, products or services, and WMG will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that WMG's acceptance of soft dollar benefits may result in higher commissions charged to the client.

Generally, in addition to a broker's ability to provide "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to the firm, and because the "soft dollars" used to acquire them are client assets, the firm could be considered to have a conflict of interest in allocating client brokerage business: it could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. In addition, the firm could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

The firm's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker,

we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge.

## ***2. Brokerage for Client Referrals***

WMG receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

We do not recommend, request, require, or permit our clients to direct us to execute transactions through a specific broker-dealer.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

WMG does not engage in block trading at this time. WMG will make the appropriate ADV filings and disclosures in addition to providing guidelines in our Policies & Procedures in reference to block trades should WMG engage in block trades.

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for WMG's advisory services provided on an ongoing basis are reviewed at least annually by the compliance department, with regard to clients' respective investment policies and risk tolerance levels. All accounts at WMG are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by the compliance department. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, WMG's services will generally conclude upon delivery of the financial plan.

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of WMG's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. WMG will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

WMG participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. WMG receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, WMG participates in TD Ameritrade's institutional advisor program and WMG may recommend TD Ameritrade to clients for custody and brokerage services.

There is no direct link between WMG's participation in the Program and the investment advice it gives to its clients, although WMG receives economic benefits through its participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving WMG participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have WMG's fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to WMG by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by WMG's related persons. Some of the products and services made available by TD

Ameritrade through the Program may benefit WMG but may not benefit its client accounts. These products or services may assist WMG in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help WMG manage and further develop its business enterprise. The benefits received by WMG or its personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, WMG endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by WMG or its related persons in and of itself creates a conflict of interest and may indirectly influence the WMG's choice of TD Ameritrade for custody and brokerage services.

Advisor also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include **MoneyGuide Pro and Advyzon**.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

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

WMG does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian at WMG's direction, WMG will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

When advisory fees are deducted directly from client account at our vendor of advisory variable annuities, Nationwide Advisory Solutions (formerly Jefferson National) at WMG's discretion, WMG will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Assets at Nationwide are not custodied at TD Ameritrade.

## **Item 16: Investment Discretion**

WMG provides discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, WMG generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

## **Item 17: Voting Client Securities (Proxy Voting)**

WMG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

WMG neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

**B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither WMG nor its management has any financial condition that is likely to reasonably impair WMG's ability to meet contractual commitments to clients.

**C. Bankruptcy Petitions in Previous Ten Years**

WMG has not been the subject of a bankruptcy petition in the last ten years.