

Part 2A of Form ADV: Firm Brochure

W&S Management Services, Inc.  
SEC Registered Investment  
Advisor Effective: January 1, 2020

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This brochure provides information about the qualifications and business practices of W&S Management Services, Inc., a registered investment advisor. If you have any questions about the contents of this brochure, please contact us at 585-720-9971 or [wandsmanagement@gmail.com](mailto:wandsmanagement@gmail.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. The terms “registered” and “registered investment advisor” do not imply a certain level of skill or training.

Additional information about W&S Management Services also is available on the SEC’S website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Material Changes**

No material changes to report.

**Table of Contents:**

<b>Coverpage &amp; Material Changes.....</b>	<b>Page 1</b>
<b>Advisory Business.</b>	<b>Page 3</b>
<b>Fees &amp; Compensation</b>	<b>Page 3</b>
<b>Performance-Based Fees &amp; Side by Side Management</b>	<b>Page 3</b>
<b>Types of Clients</b>	<b>Page 4</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss</b>	<b>Page 4</b>
<b>Disciplinary Information</b>	<b>Page 4</b>
<b>Other Financial Industry Activities and Affiliations</b>	<b>Page 4</b>
<b>Code of Ethics, Participation or Interest in Client Transactions &amp; Personal Trading</b>	<b>Page 5</b>
<b>Brokerage Practices</b>	<b>Page 5</b>
<b>Review of Accounts</b>	<b>Page 7</b>
<b>Client Referrals and Other Compensation</b>	<b>Page 8</b>
<b>Investment Discretion</b>	<b>Page 8</b>
<b>Voting Client Securities</b>	<b>Page 8</b>
<b>Financial Information</b>	<b>Page 9</b>
<b>Requirements for State-Registered Advisors</b>	<b>Page 9</b>

**Advisory Business:**

W&S Management Services, Inc. (W&S) provides supervisory management of client investment portfolios, and other forms of investment and financial advice to clients who engage W&S in a supervisory capacity. Taken together, these services are referred to as financial planning. W&S has been providing financial planning services since November of 2000, and its principal owners are Brian Ward, CPA and Nathan Ward. As of December 31, 2019 W&S provided supervisory portfolio management assets in the amount of \$70,500,000 on a discretionary basis, and no assets on a non-discretionary basis.

Our portfolio management services consist primarily of customized investment plans for individual investors in which we maintain a fiduciary duty to clients. As part of this management clients will receive ongoing monitoring to their portfolios and will receive regular reviews with principals of W&S. Investment portfolios primarily consist of publicly traded equities, bonds, etfs and mutual funds; however we do not put any explicit limitations on the types of investments we may recommend to clients or offer upon which we may offer our unbiased advice. We tailor our investment portfolios to each client based on discussions of investment goals, risk tolerance, cash-flow needs, and allow for clients to impose restrictions on the investment in certain securities or security types, by indicating such restrictions in writing.

**Fees and Compensation:**

Fees for services for W&S Management Services, Inc. are computed as a percentage of assets under management and after each quarter with cash flows for the quarter pro-rated. Fees are billed to the client and deducted out of each individual account. Clients may terminate service at any time in writing, or by having discretionary authority removed from accounts. Fees are negotiable, and the basic fee schedule is as follows:

0.75% per annum on the first \$1,000,000.00 assets under management

0.60% per annum on assets from \$1,000,001 to \$4,999,999 under management

0.50% per annum on assets above \$5,000,000.00 under management

Clients of W&S may also pay other fees in connection with advisory services, such as custodial fees, mutual fund expenses, brokerage fees, and other transaction costs. W&S does not receive compensation for any of these additional fees, and takes such fees into consideration when deciding upon the appropriateness of an investment for its clients. See the section titled brokerage practices for additional information.

**Performance Based Fees and Side-By-Side Management:**

As noted in the Fees and Compensation section, the standard fee structure is computed as a percentage of client assets under management. We typically do not engage in performance based fees, however since our fees are negotiable there is the possibility for performance based fees. At the time of writing this brochure, W&S Management Services, Inc uses performance based fees for a single household accounting for less than 2% of its assets under management. This is a legacy account opened in 2003, and at the current time W&S is not accepting any new accounts with performance based fees, nor do we intend to do so in the future.

Performance based fees have the potential to create a conflict of interest as the presence of performance based fees, as a result of favor being showed upon them by W&S. We mitigate this conflict by limiting the total performance based assets under management, and investing in substantially the same manner those accounts with performance based and standard fees. Furthermore we have a policy preventing supervisory personnel from taking opposing positions in any performance based accounts versus those in standard accounts (i.e. buying stock xyz in one account while simultaneously selling stock xyz in another account), unless those trades are specifically directed from the clients.

W&S Management does not engage in side-by-side management.

**Types of Clients:**

W&S Management primarily provides its services to individuals, trusts, estates, and closely held businesses. We do not however put an explicit limit on the types of clients or minimum asset limits. Client acceptance is on a case-by-case basis

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

W&S Management Services, Inc. relies primarily upon fundamental analysis when making investment decisions. Fundamental analysis of a business involves analyzing its financial statements and health, its management and competitive advantages, and its competitors and markets. We use both top-down and bottom-up fundamental analysis, which means we look both at industries and market sector data as well as individual company information. Fundamental analysis is performed on historical and present data, in order to make financial forecasts such as those listed below:

1. to estimate a stock or bond's valuation and predict its probable price evolution
2. to make a projection on its business performance
3. to evaluate its management and make internal business decisions, particularly for mutual fund investments
4. to calculate its credit risk on fixed income securities

As with any form of investment analysis, decisions on individual securities made using fundamental analysis carry a risk of loss that clients should be prepared to bear. In this particular case, the material risks are that assessments of a securities potential price evolution will prove incorrect. This can happen due to any number of reasons, including a material change in a businesses operating environment, unfavorable operating conditions, assumptions used in valuation that proved to be too optimistic, etc.

**Disciplinary Information:**

Neither W&S Management Services, Inc. nor any of its management personnel have been involved in any material criminal or civil action in any jurisdiction (domestic, foreign, military). Likewise, W&S and its personnel have not been involved in any administrative proceeding before any federal or state governmental regulatory authority, or self regulatory organization proceeding.

**Other Financial Industry Activities and Affiliations:**

Neither W&S Management Services, Inc. nor its management personnel are registered or intend to register as a broker-dealer, a registered representative of a broker-dealer, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities. Brian Ward, CPA the principal owner of W&S Management Services, Inc. is a Certified Public Accountant in the state of New York. He is also the co-owner of Ward, Schmerbeck and Billig P.C. which is a certified public accounting firm in the state of New York. In some cases, clients of W&S Management Services, Inc. may also be clients of Ward, Schmerbeck and Billig, P.C. In both of these cases, the Mr. Ward has a fiduciary responsibility to act in the best interest of their clients; no conflict of interest exists due to this relationship. Leighann Billig, an investment advisor representative with W&S Management is also a Certified Public Accountant who is primarily employed and is a partner in Ward, Schmerbeck and Billig, P.C. At this time she does not have an ownership stake W&S Management Services, Inc.

Outside of the relationship with Charles Schwab, which is discussed under the brokerage practices section, W&S Management Services, Inc. does not have any official relationships within the financial industry that are material to our advisory business. In the course of serving client needs, W&S may recommend other individuals or institutions such as banks, other investment advisors, law firms, insurance companies, or real estate agents. W&S receives no

compensation for any of these recommendations, nor do they maintain any official relationships in such a capacity. In these cases, we also encourage clients to do their own research prior to making decision regarding such services.

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

In conjunction with Securities & Exchange (SEC) Rule 204A-1 under the Investment Advisers Act of 1940 and as described under SEC Release No. 1A-2256, W&S Management Services, Inc. has adopted a Code of Ethics (“the Code” or “Code”). This Code details the principles and standards of conduct employed by W&S Management Services, Inc. in the course of rendering our investment advisory business. It seeks to set forth standards of conduct required of advisory personnel and address potential conflicts that may arise. We will provide a copy of the code to any client or potential client upon request.

W&S Management Services, Inc. and its related persons do not buy securities from or sell securities to clients. We also do not solicit clients’ investment in which W&S and its related persons act as a partner or otherwise have a material interest. The principals of W&S Management Services, Inc. will often invest in the same securities as our clients. We are typically long term investors in the same manner that we recommend for our clients, so these shared positions will serve to align incentives for good fundamental research before making investing decisions. Furthermore as most of our positions are either in widely traded equities and mutual funds, neither related persons nor firm principals are likely to own enough of publically traded securities to make a material impact upon the share price, further eliminating any potential conflict of interest. Our code of ethics also includes a policy that forbids portfolio managers from making opposing trades in personal or client accounts on the same day, unless one of the trades is specifically directed by a client, or in order to meet a client’s cash-management needs.

**Brokerage Practices:**

W&S Management Services, Inc. does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see *Item 15 – Custody*, below). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when either W&S Management or the client instructs them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see *“Your Brokerage and Custody Costs”*).

**How We Select Brokers/Custodians**

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

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts(wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)

- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see *"Products and Services Available to Us From Schwab"*)

#### Your Brokerage and Custody Costs

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Schwab's commission rates applicable to our client accounts were negotiated based on the condition that our clients collectively maintain a total of at least \$10,000,000.00 of their assets in accounts at Schwab. This commitment benefits you because the overall commission rates you pay are lower than they would be otherwise. In addition to commissions Schwab charges you a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see *"How We Select Brokers/Custodians"*).

#### Products and Services Available to Us From Schwab

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200.

Following is a more detailed description of Schwab's support services:

#### Services That Benefit You.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

#### Services That May Not Directly Benefit You.

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts

- Assist with back-office functions, recordkeeping, and client reporting

#### Services That Generally Benefit Only Us.

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

W&S Management Services, Inc. uses each of the services mentioned in the categories both the categories that directly benefit and may not directly benefit you. We believe that the access Schwab provides in terms of institutional share classes, and other investments not generally available to our clients are of great benefit. Furthermore, we use their trading, pricing, and fee payment platforms to streamline our business operation so that we can spend a greater proportion of our time being responsive to our clients' needs. We also use PortfolioCenter, a software program for client reporting that interfaces with Schwab. W&S pays for the use of this service, but in some years Schwab has provided a waiver for this fee. We use research provided to us by Schwab both proprietary and third party as a part of our investment decision making process, however this is only one source of information and is not used in every investment decision.

#### Our Interest in Schwab's Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see *"How We Select Brokers/Custodians"*) and not Schwab's services that benefit only us. We have \$70,500,000 in client assets under management, and we do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

W&S Management Services, Inc. does not receive any client referrals from Schwab or any other brokerage firm, so this does not present a conflict of interest. Due to a number of variables it is possible that clients may not achieve most favorable execution of client transactions, and this could cost clients more money in both commissions and other costs. W&S believes however that the overall benefits provided to the client by using Schwab as a custodian are reasonable and in line with industry standards. W&S re-evaluates this relationship on an annual basis.

#### Review of Accounts:

All accounts are reviewed regardless of conditions and performance on an semi-annual basis, coinciding with semi-annual performance reporting. These written reports include portfolio holdings, asset allocation, and overall performance. Accounts are monitored for asset allocation and suitability to client investment objectives. Furthermore assets experiencing greater than 5% deviance with expected returns are reviewed to assure there hasn't been a change in the overall investment thesis. Furthermore account returns are monitored on a monthly basis to ensure that there is not greater than 5% deviance from expected returns over the rolling 12 month period.

Reviews are also enacted upon client request and during client meetings. Furthermore all securities held in accounts over which the applicant has discretionary authority are reviewed at least once every six months, and more frequently as market conditions and corporate actions (i.e. merger announcements or management changes) to ensure investment thesis is still applicable. Reviews are conducted by the firm principals or by research assistants who are instructed on specific criteria for review that vary depending on the circumstances of the review, but may include deviation from desired asset allocation, research into components of specific performance, etc.

**Client Referrals and Other Compensation:**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and any related conflicts of interest are described above, under the heading Brokerage Practices. The availability of Schwab's products and services is not based on us giving particular investment advice, or buying particular securities.

We do not compensate any unsupervised person or organization for client referrals.

**Custody:**

Under government regulations, we are deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare Schwab's account statements to the periodic portfolio reports you will receive from us.

**Investment Discretion:**

W&S Management accepts discretionary authority to manage securities accounts on behalf of a client, should the client choose. In order to assume this authority, we require clients to associate their Schwab accounts with our firm's Master Account, and accept the terms of Schwab's trading and disbursement authorization. We also require the client to have a signed management agreement with our firm. Client's have the right to put limitations on the types of transactions we execute on their behalf. The most common of these would be to avoid purchasing individual equities (mutual funds only), or to purchase only mutual funds with no transaction fees.

**Voting Client Securities:**

If clients request this option on their Schwab account application, W&S Management Services, Inc will accept the authority to vote client securities. We will monitor the proxy information, and vote consistently with our clients best interests as required by our fiduciary responsibility. Clients who wish to direct our vote in any particular solicitation can do so in writing. Since all of our investment decisions for both W&S, its principals and clients are made on a long-term buy and hold basis, we do not anticipate any conflicts of interest. Should a conflict exist, W&S and its principals will abstain from voting on that particular proxy. Clients may request a copy of our proxy voting policies and procedures upon request.



**Financial Information:**

W&S Management Services, Inc. does not require prepayment of fees, nor has it or its principals ever been subject to a bankruptcy petition. There is no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

**Requirements for State-Registered Advisers:**

W&S Management Services, Inc. has two principal owners and management persons, listed below:

Brian D. Ward, CPA

Born 1957

Bachelors of Science in Accounting Rochester Institute of Technology

1986 V.P. Ward, Schmerbeck, and Billig P.C. Certified Public Accountants

1995-Present President W&S Management Services, Inc. 2000-Present

Nathan R. Ward

Born 1982

Bachelors Business Administration in Finance, College of William & Mary 2004

Vice-President W&S Management Services, Inc. 2015-Present

As mentioned in the section titled *Other Financial Industry Activities and Affiliations* Brian Ward, CPA President of W&S Management Services, Inc. is also a co-owner of Ward, Schmerbeck and Billig P.C., which is his primary business. Both Mr. Ward spends approximately 30 hours per week on matters related to Ward, Schmerbeck, and Billig P.C.

In addition to the principal owners, W&S Management Services, Inc. also employs Leighann Billig, CPA. Born in 1981, Leighann received a Bachelors and Masters Degree in accounting from SUNY Brockport in 2010 and 2011 respectively. Leighann is primarily an employee of Ward, Schmerbeck and Billig P.C. as an accountant and partner and spends approximately 30 hours per week on matters related to tax and audit work related to Ward, Schmerbeck and Billig, P.C.

For the single household in which W&S Management Services, Inc is compensated on a performance basis, these fees are calculated on an annual basis according to a schedule that was provided by the client. This performance based arrangement may create an incentive for W&S to recommend investments carrying a higher degree of risk.

Neither W&S Management Services, Inc. nor its management personnel have ever been involved in any civil, self-regulatory organization, arbitration claim, or administrative proceeding of any sort; related to an investment business or otherwise.

W&S Management Services, Inc. and its principals do not have any relationship or arrangement with any issuer of securities not already previously listed in this document.