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**FORM ADV PART 2A
BROCHURE**

This brochure provides information about the qualifications and business practices of Focused Wealth Management, Inc. If you have any questions about the contents of this brochure, contact us at 845-691-4035. 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 Focused Wealth Management, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Focused Wealth Management, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

The purpose of this Item 2 is to disclose material changes that have been made to this Brochure since the last annual update of this Brochure.

The last annual update of this Brochure was dated March 12, 2019. Since its last annual update, there have been no material changes made to this Brochure.

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Item 4 Investment Advisory Business

Established in 2010 by Managing Director, Philip J. DeAngelo, Focused Wealth Management, Inc. ("FWM"), offers several different advisory services to Individuals, Charities, Municipal Entities, Corporations, Trusts, Institutions, Not-for-Profits, Public and Private Endowments, Pension Funds, Foundations and Contingency Funds.

Investment Management Services

FWM manages client investment portfolios on a discretionary and non-discretionary basis. FWM primarily allocates client assets among various exchange-traded funds ("ETFs") and individual equity securities, mutual funds and bonds in accordance with their stated investment objectives. Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios.

Financial Advisors Program

FWM provides investment advisory services through a program offered by Securities America Advisors, Inc. ("SAA"), a SEC registered investment adviser. The Financial Advisors Program (FAP) is a *wrap-fee*¹ program providing investment advisory services, custody, execution, and clearing services for one inclusive fee. These services are all included in the stated investment management fee. In addition, clients will pay the ticket charges for discretionary and non-discretionary trades made in their account, though the client's ticket charge may be reimbursed at the firm's discretion.

FWM will assist the client in establishing an FAP Account with SAA. A complete description of the FAP investment services and related fees are described in the FAP Wrap Fee Brochure, which will be presented to each client prior to or at the time an FAP Account is established.

All brokerage transactions in this program will be processed by Securities America, Inc. ("SAI"), a registered broker-dealer, and then cleared and held custody with National Financial Services, LLC ("NFS"). SAA has also entered into agreements with various insurance companies that allow for the management and valuation of client variable annuity accounts within SAA's FAP program. At no time will FWM, SAA or SAI have possession or act as custodian of client accounts.

Focused Wealth Wrap Fee Program

The firm also provides similar portfolio management services as a sponsor of a proprietary wrap fee program. Within the FWM Wrap Fee Program, accounts are continuously monitored by Focused Wealth's Investment Management Committee.

Please refer to FWM's Wrap Fee Program Brochure (Form ADV Part 2A Appendix 1) for complete details on FWM's Wrap Fee Program.

FWM Wrap Fee Program

The program primarily consists of Exchange Traded Index Funds, individual equities, individual bonds and similar types of investments. Focused Wealth's fee is based on a percentage of the client's assets under firm management. Where the account incurs certain brokerage-related costs, such costs are absorbed by FWM and paid to the brokerage firm from a specified portion of the Wrap Fee Program fee. Participating accounts will be held with a qualified custodian and may be subject to additional charges not covered by the wrap fee arrangement.

Other Investment Management Services

In addition to offering investment management via one of the wrap fee programs mentioned above, FWM also offers investment advisory services outside of a wrap fee program to clients on a discretionary and non-discretionary basis.

FWM will assist the client in establishing an account with the qualified custodian or variable annuity company. Clients may place reasonable restrictions and investment guidelines on transactions in certain types of securities or industries. At no time will FWM act as custodian of any client account, nor will the firm have access to a client's funds and/or securities.

Recommendation of Type of Investment Management Service

Regardless of whether the client's assets are managed via one of the wrap fee programs mentioned above or outside of a wrap fee program, the firm's investment management strategy is implemented in conjunction with client's investment objectives, risk tolerance level, liquidity needs, tax and/or legal implications and other concerns where applicable. FWM receives a portion of the wrap fee charged through one of the wrap fee programs for the services it provides through the program.

Financial Planning

FWM also offers financial planning services in the form of written or oral, comprehensive or modular financial plans. A comprehensive plan can include, but is not limited to, the areas of retirement planning, estate planning, insurance planning and analysis, education planning and analysis, long term care planning and analysis and benefit plan analysis. Fees for financial plans can be either hourly or fixed, at the client's discretion. At the initial meeting, for which there is no charge, FWM will gather information from the client regarding his/her current financial situation, goals and objectives. If the client elects to proceed with a written or oral plan and selects an hourly fee, FWM will inform the client of the estimated hours it will take to complete the service. Terms and conditions will be agreed to in writing.

Consultations/Ongoing Consultations

Clients not wishing to purchase a financial plan may also contract with the firm for consultations on any topic of interest to them. Fees will be charged on an hourly basis. The client and FWM will jointly determine how many hours are required to complete the requested consultation services.

Clients desiring more than two consultations on financial planning, investment or other matters may contract with FWM for ongoing consultation services. These services will be provided on a semi-annual basis, renewable on each six-month anniversary date if the client elects to do so. The associated person will provide the client with an estimate of the hours needed during the six month contract period to complete the requested services; the client will also assist in determining the time required.

Clients desiring ongoing consultations on 401(k), qualified or other benefit plans will be charged on a percentage of assets under management. This fee is negotiable based upon the complexity of the client's situation and the actual services provided.

Client Communications

Periodically FWM sends out commentary to clients regarding economic and market conditions and other timely topics, which is typically posted to the Firm's website.

As of December 31, 2019, FWM managed \$880,615,689 in discretionary regulatory assets under management.

We also manage \$228,366,723 in client assets on a non-continuous basis.

[¹] *Wrap Fee*: Any one fee charged for a bundle of services, including brokerage, management, and administrative costs.

Item 5 Fees and Compensation

ASSET MANAGEMENT PROGRAM FEES

Financial Advisors Program

The annual management fee charged for this service will be negotiated with each client, with 2% being the maximum management fee that may be charged to clients. Fees are based on the complexity and the amount of service required for the client. Fees for fee-based accounts are charged monthly in arrears based on the month end value of the assets and are automatically deducted from the client's account, as authorized by the client in writing. SAA retains up to 20 basis points (0.20%) of the annual management fee for FAP accounts.

Focused Wealth Wrap Fee Program

Clients participating in the FWM Wrap Fee Program are charged up to 2% annually, as detailed in the client agreement and is subject to negotiation. Fees for fee-based accounts are charged monthly in arrears based on the month end value and are automatically deducted from the client's account, as authorized by the client in writing. For linked 401k accounts, fees are charged monthly in advance based on the end of quarter value, and may either be deducted from the client's account or be invoiced. Wrap fee program fees include Focused Wealth's management fee and cover certain brokerage-related costs. Clients are encouraged to review Appendix 1 of this brochure for further information related to this program.

Fixed Fees

At the client request and subject to negotiation clients can be charge an annual fixed fee. Annual fixed fees are negotiated based on the size and complexity of the relationship and charged based on the frequency stated in the client contract.

Other Investment Management Services (annuities)

The annual management fee charged for this service will be negotiated with each client based upon the complexity of the client's financial situation, the complexity of the services provided and the dollar amount of assets under management. The maximum annual fee charged for this service will be 2% annually. FWM will quote an exact percentage to clients for services being provided. The fee will be charged quarterly in advance based on the quarter end value and will be automatically deducted from the client's account as authorized in writing by the client.

Additional Fee Disclosure

Where clients may incur additional expense (that are not covered by the wrap fee) from brokerage-based activities, clients should be aware that all custodial and execution fees remain separate and distinct from those fees charged by FWM for its asset management services.

All fees paid to FWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or variable annuities to their shareholders (FWM clients). These fees and expenses are described in each fund's and annuity's prospectus. With respect to mutual fund investments, these fees will generally include a management fee, other fund expenses, and a possible distribution or trailer fee. With respect to variable annuities, these fees may include sales loads, surrender charges, administrative expense charges, insurance charges for death benefits, guaranteed lifetime withdrawal benefits and/or other insurance-related expenses as described in the variable annuity's prospectus. If the fund or annuity imposes sales charges, a client may pay an initial or deferred sales charge.

Clients should note that persons providing investment advice on behalf of our firm are registered representatives with SAI, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons receive compensation in connection with the purchase and sale of securities or other investment products, including asset-based sales charges, service fees or 12b-1 fees, or holding, of mutual funds. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice to advisory clients on behalf of our firm who are registered representatives have an incentive to recommend investment products based on the compensation received rather than solely based on your needs. Persons providing investment advice to advisory clients on behalf of our firm can select or recommend, and in many instances will select or recommend, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm who receives compensation described above.

FWM firm receives 12b-1 fees in connection with mutual funds for certain advisory client accounts who hold annuities. This compensation is separate and in addition to our advisory fees. This practice presents a conflict of interest because we have an incentive to recommend mutual funds for which we receive 12b-1 fees rather than solely based on your needs. We can select or recommend, and in many instances will select or recommend to our advisory clients, mutual fund investments in share classes that pay 12b-1 fees when clients are eligible to purchase share classes of the same funds that do not pay such fees and are less expensive. This presents a conflict of interest. You are under no obligation, contractually or otherwise, to purchase securities products through our firm.

Clients should review both the fees charged by the mutual funds and variable annuities and the advisory fees charged by FWM to fully appreciate the total amount of fees to be paid by the client. All National Integrity contracts sold after July 1, 2011 cannot be charged a management fee, pursuant to National Integrity Life Insurance Companies policy change.

Clients have the option to purchase investment products that FWM recommends through other brokers or agents that are not affiliated with FWM; however, such purchases would be made without the benefit of the extensive experience and tailored advice FWM provides to clients through the various asset management services it offers.

FWM and/or the client may terminate the account agreement, in whole or in part, at any time with written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess shall be refunded. The Client's advisory agreement with FWM is non-transferable unless consented-to in writing by the client.

Insurance

Certain persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will 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 persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Financial Planning

If the client elects to proceed with a written or oral plan and selects an hourly fee, the representative of record will inform the client of the estimated hours it will take to complete the service at a rate not to exceed \$150 per hour. The hourly rate is negotiable based upon the complexity of the client's situation and the actual services provided. These factors are also considered when estimating the hours needed to complete the requested services.

The firm's hourly fee will be negotiated and agreed upon by the parties in advance. Hourly fee-based clients are billed on a monthly basis upon completion of the work performed.

FWM may charge a fixed fee for comprehensive financial planning services that will range from \$100 to \$1,000 per plan depending upon the complexity of the client's financial situation and the actual services to be provided. Fixed fees may be negotiated in advance based on the sole discretion of the firm.

Whether hourly or fixed, all fees will be disclosed to the client prior to any services being provided. For hourly fees, clients will be billed for the actual time expended. If less time is needed than the original estimate, the client will be charged for the actual time expended by the associated person. Either FWM or the client may terminate services by providing written notice to the other party, and the notice will be effective upon receipt. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess shall be refunded.

Consultations/Ongoing Consultations

The hourly rate for consultations/ongoing consultations will not exceed \$150 per hour and is negotiable based upon the complexity of the client's situation and the actual services to be provided. All fees will be disclosed to the client prior to any services being provided. For consultation services that will be completed with one or two meetings, payment is due at the time the agreement for services is signed. Both parties may terminate services by providing written notice to the other party, and the notice will be effective upon receipt. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess shall be refunded.

Clients desiring ongoing consultations on 401(k), qualified or other benefit plans will be charged on a percentage of assets under management. This fee is negotiable based upon the complexity of the client's situation and the actual services provided. The fee will be billed quarterly in arrears and will

generally not exceed \$25,000 per quarter. Fees will be disclosed to clients prior to any services being provided. Both parties may terminate services by providing written notice to the other party, and the notice will be effective upon receipt. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess shall be refunded.

Item 6 Performance-Based Fees and Side by Side Management

As FWM's advisory services do not incorporate performance fees or the offering of any additional investment services, side-by-side management does not apply to those services rendered by FWM.

Item 7 Types of Clients

FWM provides investment advisory services to Individuals, High Net Worth Individuals, Charities, Municipal Entities, Corporations, Trusts, Institutions, Not-for-Profits, Public and Private Endowments, Pension Funds, Foundations and Contingency Funds.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

FWM utilizes a fully integrated and comprehensive Investment Manager and Investment Product search to identify, select, and monitor asset managers, exchange traded funds (ETF's) for each asset class and style to be represented. This is conducted quarterly.

The process begins by utilizing proprietary and quantitative screening methodology designed to narrow the field of investment choices to only those Funds and ETF's meeting standards set by the firm's Investment Selection and Monitoring Committee. Factors considered in this analysis may include:

- Inception date: The investment must have at least a three (3) year track record.
- Composition: The investment's allocation to its primary asset class should be greater than 80%.
- Style: The investment's current style box should match the peer group. (i.e. Large Growth, Large Value, Large Blend, etc.)
- Net expense ratio: The investment must place in the top 75% of its peer group.
- Alpha and Sharpe Ratio: The investment must place in the top 50% of its peer group.

The Committee then further reviews the funds, ETFs or asset managers by applying additional analytical and subjective measures to narrow its investment recommendations for each investment style.

Other variables considered in this analysis may include:

- Growth in assets the previous two quarters and one year
- Shifting from its designated style
- Name recognition
- Other statistical risk measurements
- Review of analyst's commentary

Recommended funds, ETF's, Mutual Funds, Equities, Bonds or other securities are placed on a formal Investment Product Selection List outlining all the statistical data utilized in the selection of those securities. It is then distributed to FWM for use in the selection of securities for their clients.

The Suitability of the investment products and investment managers will be monitored on a quarterly basis and it is at the Committee's discretion to take corrective action by replacing a manager, ETF or security if deemed appropriate.

FWM utilizes a fully integrated and comprehensive Investment Holding search to identify, select, and monitor individual equity, fixed income, and options positions. This is conducted quarterly. Both proprietary and quantitative screening methodology is used to identify investment choices to only those equity and fixed income holdings meeting standards set by the firm's Investment Selection and Monitoring Committee. Factors considered in this analysis may include quantitative analysis of a company's balance sheet, income statement, management effectiveness, liquidity and solvency, profitability, price volatility, credit rating, and review of analyst's commentary. Other factors considered include an overall macro environment risk assessment including market and economic conditions, legislative risks, and competition evaluation. In the evaluation of fixed income holdings, factors considered include evaluations of the underlying company, credit ratings provided by various rating agencies, and maturity of issuance including duration or interest rate sensitivity assessment.

The Suitability of the equity, fixed income, and options holdings will be monitored on a quarterly basis and it is at the Committee's discretion to take corrective action by replacing a security if deemed appropriate.

Risk of Loss: Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Where short term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a more conservative or long term purchase approach. Questions regarding these risks and/or increased costs may be directed to the firm and its representatives.

Municipal Securities: Municipal securities, while generally thought of as safe, can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

Bonds: Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

Stocks: There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

Mutual Funds and Exchange Traded Funds: Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification,

risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of its underlying index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their underlying indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the underlying index. Some ETFs may invest in securities or financial instruments that are not included in the underlying index, but which are expected to yield similar performance.

Options Contracts: Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts.

A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.

A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

Selling options is more complicated and can be even riskier.

The option trading risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options which do not have secondary markets on which to sell the options prior to expiration can only realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The option trading risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.

- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other option trading risks are:

- The complexity of some option strategies is a significant risk on its own.
- Option trading exchanges or markets and option contracts themselves are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to timing across borders.

Risks that are not specific to options trading include market risk, sector risk and individual stock risk. Option trading risks are closely related to stock risks, as stock options are a derivative of stocks.

Item 9 Disciplinary Information

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosures as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Please note, neither the firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

Item 10 Other Financial Industry Activities and Affiliations

FWM's investment adviser representatives are also registered representatives with Securities America, Inc., ("SAI"), a FINRA registered broker/dealer. Through this arrangement, registered representatives may purchase or sell securities for SAI client accounts for additional commission based compensation.

Clients should note that the firm and its representatives receive additional compensation from mutual fund sales loads and 12(b)-1 distribution fees made through SAI. Additionally, they may receive additional compensation from variable annuity sales or trail commissions made through SAI or other firms for various variable annuity investments. Please refer to Item 5 - Fees and Compensation for more information around this practice and the conflict of interest it creates.

Investment adviser representatives serve as separately licensed insurance agents and, as such, are involved with the sale and servicing of life and health insurance products on behalf of various insurance providers. If a client elects to purchase insurance products through representatives associated with FWM, these individuals will be compensated by the provider on a commission basis. Clients can engage FWM to effect insurance transactions on a commission basis. The recommendation that a Client purchase an insurance commission product presents a **conflict of interest**, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular Client's need. No Client is under any obligation to purchase any commission products. Clients are reminded that they may purchase insurance products recommended by FWM through other, non-affiliated insurance agents.

The firm maintains a fiduciary obligation to place its clients' interests first. However, clients should be aware that the receipt of additional compensation itself can create a conflict of interest, and may affect the judgment of this individual when making investment recommendations. In order to properly handle such potential conflicts of interest, the firm has adopted a Code of Ethics. Please see Item 11 (below) for further discussion related to the firm's Code of Ethics.

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

Pursuant to Rule 204(A)-1 of the Investment Advisers Act of 1940, FWM has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients, and sets forth its practice of supervising the personal securities transactions of employees who maintain access to client information.

The firm, and related persons of the firm, including but not limited to, FWM's investment adviser representatives, may invest in the same securities (or related securities, e.g., warrants, options or futures) that FWM or any of its related persons recommend to clients. Some of these investments may be placed at, or about the same time as, the placement of client securities transactions. This presents a conflict of interest, as the firm and its related persons may be incented to benefit from client transactions by placing their own interests ahead of those of the firm's clients. FWM requires that client transactions in Reportable Securities (as this term is defined in the Code of Ethics) be placed ahead of those of the firm or its related persons. Such transactions remain under strict supervision and subject to regular review by the firm's compliance staff.

The firm's investment adviser representatives are also registered representatives of Securities America, Inc., FINRA member broker-dealer. In their capacity as registered representatives, these personnel may sell securities and receive commissions for the sale of such securities. This creates an incentive for the representative, in his or her capacity as an investment adviser representative, to recommend securities products based on the compensation received rather than on the client's needs. The representative may also be incented to trade heavily in client accounts. However, all trading is supervised to ensure adherence to each client's investment objectives and goals.

A copy of the firm's Code of Ethics is available upon request.

Item 12 Brokerage Practices

FWM maintains the investment discretion to place transactions and select brokers without prior approval of clients. Accordingly, the firm seeks to obtain the most favorable net results for client's price, execution quality, services and commissions. FWM does not allow clients to direct brokerage to broker-dealers other than the custodians typically used by the firm for trade execution. Not all advisers require clients to direct brokerage to the brokerage firm typically used by the adviser. As discussed below, the firm has a fiduciary duty to seek best execution and act in the clients' best interests.

FWM maintains a fiduciary duty to seek best execution pricing for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client. FWM evaluates on a quarterly basis whether clients are receiving best execution with the broker-dealers currently being used when placing client securities transactions.

FWM is able to aggregate client orders in equities including ETFs, fixed income, funds, and options trades held within a certain custodian. FWM seeks to always aggregate orders when it has the opportunity to do so within each respective custodian. FWM also seeks to enter trades in a single "block trade" when it has the opportunity to do so seeking uniform pricing within executions in a same security trade. Not doing so may result in the client obtaining less favorable execution price than if multiple orders for shares of the same security were combined into a single "block trade". As stated above, FWM maintains a fiduciary duty to seek best execution for client transactions and conducts periodic reviews of the execution it receives in placing client securities transactions.

FWM does not receive any research, products, client referrals, or other services from a broker-dealer or third party in connection with client-based securities transactions (i.e. no soft dollars).

FWM may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The final decision to custody assets with Schwab is at the discretion of the Advisor's clients. Schwab provides FWM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Compared to Schwab's retail client services, Schwab's Advisor Services Division's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment than Schwab's retail clients.

For FWM client accounts maintained at Schwab, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to FWM other products and services that benefit FWM but may not benefit its clients' accounts. These benefits include national, regional or FWM specific educational events organized or sponsored by Schwab Advisor Services. Other products and services assist FWM in managing and administering clients' accounts. These include software and other technology (and

related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of FWM fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of FWM accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to FWM other services intended to help FWM manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to FWM by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to FWM. While, as a fiduciary, FWM endeavors to act in its clients' best interests, FWM may recommend that clients maintain their assets in accounts at Schwab which may be based in part on the benefit to FWM of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

The firm generally executes trades through National Financial Services, ("NFS"), TD Ameritrade, or Charles Schwab, with whom clients also custody assets. The firm may also recommend that clients hold accounts with other broker-dealers, as appropriate, based on the client's specific needs. Not all advisers recommend the use of a particular broker-dealer. By directing brokerage to NFS, TD Ameritrade, or Charles Schwab, the firm may be unable to achieve most favorable execution of client transactions, and this practice may cost the clients more money.

Trade Errors & Corrections

From time-to-time FWM may make an error in submitting a trade order on your behalf. When trade errors are identified and corrected after settlement, the client will be "made whole" (i.e. the client is in as good or better position than prior to the trade), which includes the payment of interest or reimbursement for margin interest for the time period the client's funds were tied up. Trade errors resulting in a loss or unfavorable result for the client will, to the extent possible, be "undone" and then re-billed correctly. However, in many instances this is not possible due to the nature of the account type. In those situations, generally the client is awarded a billing credit, which reduces the next invoice(s) for the amount of the error.

Except as described below, erroneous trades that result in a benefit to the client (for example, failed to sell a security in a timely manner, security price subsequently increases and then position is sold, resulting in more gain for the client) will generally not be "undone". However, because this could result in undesirable tax consequences for the client, each such case will be reviewed with the client. When trade errors are identified and corrected prior to settlement (i.e. no Client funds were at risk), FWM will work with the executing broker and their custodian to determine whether they or the executing broker will retain any resulting gain or absorb any resulting loss as a result of the correction of the trade error. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

Where TD Ameritrade is the custodian, TD Ameritrade will donate the amount of any gain to the Michael J. Fox Foundation for Parkinson's Research Care of: Focused For Fox. If a loss occurs, FWM will pay for the loss.

Research and Other Soft Dollar Benefits

FWM does not have any soft dollar arrangements.

Item 13 Review of Accounts

The firm's investment modules are reviewed daily by a member of the Investment Management Committee. Investment Accounts are monitored on a quarterly or annual basis depending on the Client. Reviews are completed by FWM's Investment Management Committee. Accounts will be reviewed more frequently as necessary to respond to significant changes in client circumstances or changes in market conditions. Triggering factors to warrant more in depth review could include the following;

- Awareness of a change in investment objective
- Change in market conditions
- Change in liquidity status
- Re-balancing of assets to maintain proper asset allocation
- Other activity discovered as the account is normally reviewed.

FWM periodically reviews reports provided to the client and contacts the client at least annually to review the client's financial situation and objectives. As a result of this contact, the firm may communicate information to the third party investment adviser as necessary. Clients are encouraged to notify FWM of any changes in their financial situation, investment objective or account restrictions.

Clients will receive written brokerage or custodial statements each month.

Item 14 Client Referrals and Other Compensation

FWM has entered into written agreements with a third-party for the solicitation of advisory clients, through which FWM compensates the soliciting party for client referrals. The terms of these written arrangements are disclosed to the referred client in a Solicitors Disclosure Statement provided to the client by the solicitor at the time of solicitation, along with a copy of this FWM brochure, in compliance with Rule 206(4)-3 of the Advisers Act. FWM has a solicitors agreement with Vision Consultants, LLC. Individuals associated with this solicitor may provide client referrals to FWM for a fee.

FWM may enter into arrangements with employees of our firm, under which the individual receives compensation from our firm for the establishment of new client relationships. Employees who refer clients to our firm must comply with the requirements of the jurisdictions where they operate. The compensation consists of a percentage of the annual fee for the first year of the agreement upon your signing an advisory agreement with our firm. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation is contingent upon you entering into an advisory agreement with our firm. Therefore, the individual has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Our firm receives economic benefit from Schwab in the form of the support products and services made available to our firm and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit our firm, and the related conflicts of interest are described above in Item 12 - Brokerage Practices. The availability of Schwab's products and services is not based on our firm giving particular investment advice, such as buying particular securities for our clients.

FWM does not receive any other economic benefit from a non-client for the provision of advisory services to the firm's clients.

Item 15 Custody

Other than the client authorized direct deductions of fees from accounts, FWM does not maintain or accept custody* of client funds or securities.

*Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. *Rule 206(4)-2 Investment Advisers Act of 1940.*

Item 16 Investment Discretion

FWM maintains discretionary authority limited to the selection and amount of securities to be bought or sold in client accounts, as well as the broker or dealer to be used to place such transactions, without obtaining prior consent or approval from clients. 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 the firm.

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 agreement containing all applicable limitations to such authority. All discretionary trades made by FWM will be in accordance with each client's investment objectives and goals.

FWM can maintain client accounts in which they do not exercise discretion and all recommendations can only be executed with the consent or approval of the client. These purchases and/or sales are also subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by the firm.

Item 17 Voting Client Securities

FWM will not vote, nor advise clients how to vote, proxies for securities held in client accounts. Clients may contact FWM with questions regarding a particular solicitation; however, the client maintains the authority and responsibility for the voting of these proxies. The firm and its clients agree to this by contract. Clients will receive such proxies or other similar solicitations directly from the transfer agent or other third party designee where applicable.

Item 18 Financial Information

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain information about their business practices that might serve as material to the client's decision in choosing an investment adviser.

As of the date of this filing, FWM does not require the payment of more than \$1,200 in fees six months or more in advance or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.