



## **Watchstone Wealth Management LLC**

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

**Effective: August 2, 2021**

This Form ADV 2A ("Disclosure Brochure") provides information about the qualifications and business practices of Watchstone Wealth Management LLC ("Watchstone" or the Advisor). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at (347) 993-3558.

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

Additional information about Watchstone and its Advisory Persons is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD # 172835.

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## Item 2 – Material Changes

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

Watchstone believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. Watchstone encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

The following changes have been made to this Disclosure Brochure since the last filing:

- The Advisor has updated their office address to 300 Riverside Drive, Apt 13E, New York, NY 10025.
- The Advisor no longer offers retirement plan advisory services.

### Future Changes

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

You may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD #172835. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (347) 993-3558.

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## Item 4 – Advisory Services

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### A. Firm Information

Watchstone Wealth Management LLC (“Watchstone” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). The Advisor is organized as a Limited Liability Company (“LLC”) under the laws of New York. Watchstone was founded in September 2014, and is owned and operated by David M. Greenberg (President and Chief Compliance Officer). This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by Watchstone.

### B. Advisory Services Offered

Watchstone offers investment advisory services to individuals, high net worth individuals, businesses, and retirement plans (each referred to as a “Client”).

The Advisor serves as a fiduciary to Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate potential conflicts of interest. Watchstone’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding the Code of Ethics, please see Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.

#### Wealth Management Services

Watchstone provides wealth management services for its Clients. These services generally include a broad range of comprehensive financial planning in connection with discretionary investment management of Client portfolios. These services are described below.

*Investment Management Services-* Watchstone provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. Watchstone works closely with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create a portfolio strategy. Watchstone will then construct an investment portfolio based on its proprietary investment strategies to meet the goals of the Client. The strategies are tailored for taxable and non-taxable accounts. Portfolios are primarily constructed using exchange-traded funds (“ETFs”). The Advisor may also utilize mutual funds and individual stocks, as necessary. The Advisor may retain certain legacy investments based on portfolio fit and/or tax considerations.

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

Watchstone evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. Watchstone may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance. Watchstone will provide investment management and related services.

At no time will Watchstone accept or maintain custody of a Client’s funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within their designated account(s) at the Custodian, pursuant to the Client investment advisory agreement, please see Item 12 – Brokerage Practices.

*Financial Planning Services-* Watchstone will typically provide a variety of financial planning services to individuals and families, either a component of wealth management services or pursuant to a written financial planning agreement. Services are offered in several areas of a Client’s financial situation, depending on their goals and objectives.

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

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

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

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

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

Prior to engaging Watchstone to provide investment advisory services, each Client is required to enter into one or more agreements with the Advisor that define the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Strategy – Watchstone, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Portfolio Construction – Watchstone will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – Watchstone will provide investment management and ongoing oversight of the Client's investment portfolio.

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

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

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

As of December 31, 2020, Watchstone manages \$41,478,606 in Client assets, all of which are managed on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## **Item 5 – Fees and Compensation**

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

## **A. Fees for Advisory Services**

### Wealth Management Services

Investment advisory fees are paid monthly in arrears, pursuant to the terms of the investment advisory agreement. Investment advisory fees are based on the market value of assets under management at the end of each month and are based on the following schedule:

Assets Under Management	Annual Rate (%)
Up to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	0.80%
\$2,000,001 to \$3,000,000	0.70%
\$3,000,001 to \$4,000,000	0.60%
Over \$4,000,000	Negotiable

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

### Financial Planning Services

Watchstone offers financial planning services on an hourly or fixed fee basis. Hourly fees range from \$100 to \$150 per hour. Fixed fee engagements are based on the estimated hours to complete the engagement at the negotiated hourly rate. The fees may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours and total costs will be provided to the Client prior to engaging for these services.

## **B. Fee Billing**

### Wealth Management Services

Investment advisory fees are calculated by the Advisor and deducted from the Client account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client account[s] at the respective month-end date. The amount due is calculated by applying the monthly rate (annual rate divided by 12) to the total assets under management with Watchstone at the end of each month. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the investment advisory fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by Watchstone directly from their accounts held by the Custodian as part of the investment advisory agreement and separate account forms provided by the Custodian.

### Financial Planning Services

Financial planning fees may be invoiced 50% of the expected total fee upon execution of the financial planning agreement and the balance upon completion of the agreed upon deliverable[s]. The Advisor does not accept advance payment for financial planning engagements that will have an expected duration of six months or more. In such instances, fees are billed in arrears.

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. Watchstone includes Covered Costs as part of its overall investment advisory fee through the Watchstone Wrap Fee Program. The Advisor's recommended Custodian does not charge securities transaction fees for ETF and equity trades in a Client's account, provided that the account meets the terms and conditions of the Custodian's brokerage requirements. However, the Custodian typically charges for mutual funds and other types of investments. Securities transaction fees for Client-directed trades may be charged back to the Client. Please see Item 4.D. above as well as Appendix 1 – Wrap Fee Program Brochure.

In addition, all fees paid to Watchstone for investment advisory services are separate and distinct from the expenses charged by mutual funds and ETFs to their shareholders, if applicable. These fees and expenses are

described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client may be able to invest in these products directly, without the services of Watchstone, but would not receive the services provided by Watchstone which are designed, among other things, to assist the Client in determining which products or services are most appropriate for each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by Watchstone to fully understand the total fees to be paid. Please see Item 12 – Brokerage Practices for additional information.

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

##### Wealth Management Services

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

##### Financial Planning Services

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

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

Watchstone does not buy or sell securities to earn commissions and does not receive any compensation for securities transactions in any Client account, other than the investment advisory fees noted above.

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

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

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

#### **Item 7 – Types of Clients**

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Watchstone offers investment advisory services to individuals, high net worth individuals, businesses and retirement plans. The amount of each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor. Watchstone generally does not impose a minimum size for establishing a relationship.

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

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

Watchstone primarily employs a fundamental analysis method in developing investment strategies for its Clients. Research and analysis from Watchstone are derived from numerous sources, including financial media

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companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

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

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

## **B. Risk of Loss**

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

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

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

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

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs have a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.



### Mutual Fund Risks

The performance of a mutual fund is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

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

### Item 9 – Disciplinary Information

**There are no legal, regulatory or disciplinary events involving Watchstone or its management persons.**

Watchstone and its Advisory Persons value the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD # 172835.

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

#### **A. Broker-Dealer Affiliation**

Neither the Advisor nor its management persons are registered as a broker-dealer.

#### **B. Futures and Commodity Affiliations**

Neither the Advisor nor its management persons have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor ("CTA"), or an associated person of the foregoing entities.

#### **C. Other Financial Affiliations**

Neither the Advisor nor its management persons have other financial affiliations.

#### **D. Selection of Other Advisors**

The Advisor does not recommend or select other investment advisors for Client accounts.

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

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

Watchstone has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code applies to all persons associated with Watchstone ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. Watchstone and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Watchstone's Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address employee ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (347) 993-3558.

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

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

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

Watchstone allows Supervised Persons to purchase or sale of the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities that are recommended (purchase or sell) to Clients presents a potential conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code, to address insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Watchstone requiring reporting of personal securities trades pursuant to its Code of Ethics. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

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

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

## Item 12 – Brokerage Practices

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### A. Recommendation of Custodian[s]

Watchstone does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize Watchstone to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, Watchstone does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where Watchstone does not exercise discretion over the selection of the Custodian, it may recommend the Custodian to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a custodian not recommended by Watchstone. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. Watchstone may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation and/or the location of the Custodian's offices.

Watchstone will typically recommend that Clients establish their account[s] at Charles Schwab & Co., Inc. ("Schwab"), a FINRA-registered broker-dealer and member SIPC. Schwab will serve as the Client's "qualified custodian". Watchstone maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab. Please see Item 14 below.

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

**1. Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealer/custodian in exchange for research and other services. **Watchstone does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor does receive certain economic benefits from the Custodian. Please see Item 14 below.**

**2. Brokerage Referrals** - Watchstone does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. Directed Brokerage** - All Clients are serviced on a "directed brokerage basis," where Watchstone will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e.,

purchase of a security into one Client account from another Client's account[s]). Watchstone will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated Custodian.

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

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of the order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the Custodian. Watchstone will execute its transactions through the Custodian as authorized by the Client.

Watchstone may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage any particular Clients' accounts.

## **Item 13 – Review of Accounts**

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

Securities in Client accounts are monitored on a regular and continuous basis by Mr. Greenberg, President of Watchstone. Formal reviews are generally conducted at least annually or more frequently depending on the needs of the Client.

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

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

### **C. Review Reports**

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

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

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### **A. Compensation Received by Watchstone**

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

### Participation in Institutional Advisor Platform

Watchstone has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like Watchstone. As a registered investment advisor participating on the Schwab Advisor Services platform, Watchstone receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put

the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services to Watchstone that may not benefit the Client, including: educational conferences and events, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. Watchstone believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

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

Watchstone does not engage paid solicitors for Client referrals.

## **Item 15 – Custody**

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

## **Item 16 – Investment Discretion**

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

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

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

## **Item 18 – Financial Information**

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Neither Watchstone, nor its management, have any adverse financial situations that would reasonably impair the ability of Watchstone to meet all obligations to its Clients. Neither Watchstone, nor any of its Advisory Persons, have been subject to a bankruptcy or financial compromise. Watchstone is not required to deliver a balance

sheet along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in the future.



## **Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure**

**Effective: August 2, 2021**

This Form ADV 2A – Appendix 1 – Wrap Fee Program Brochure (“Wrap Fee Program Brochure”) provides information about the qualifications and business practices of Watchstone Wealth Management LLC (“Watchstone” or the “Advisor”) when Client transaction costs are included with investment advisory fees as a single fee. This Wrap Fee Program Brochure shall always be accompanied by the Watchstone Disclosure Brochure, which provides complete details on the Advisor’s business practices. If you did not receive the complete Watchstone Disclosure Brochure or you have any questions about the contents of this Wrap Fee Program Brochure or the Disclosure Brochure, please contact the Advisor at (347) 993-3558.

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

Additional information about Watchstone and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 172835.

## **Item 2 – Material Changes**

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Form ADV 2 Appendix 1 is provided as a supplement to the Watchstone Disclosure Brochure.

### Material Changes

There have been no material changes to this Wrap Fee Program Brochure since the last distribution to Clients.

### Future Changes

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

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 172835. You may also request a copy of this Wrap Brochure at any time, by contacting the Advisor at (347) 993-3558.

## **Item 3 – Table of Contents**

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## Item 4 – Services Fees and Compensation

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### A. Services

Watchstone provides customized investment advisory services for its Clients. The Watchstone Wrap Fee Program Brochure is provided solely as a disclosure when Watchstone includes securities transaction fees as part of its overall investment advisory fee (as detailed in Item 5 of the Form ADV2A (“Disclosure Brochure”).

As part of the investment advisory fees noted in Item 5 of the Disclosure Brochure, Watchstone includes securities transaction fees (herein “Covered Costs”) as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program”. The Advisor’s recommended Custodian does not charge securities transaction fees for exchange-traded fund (“ETF”) and equity trades in Client accounts, but typically charges for mutual funds and other types of investments. The Advisor sponsors the Watchstone Wrap Fee Program.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of Covered Costs into a single “bundled” investment advisory fee. This Wrap Fee Program Brochure references back to the Watchstone Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix.

**Please see Item 4 – Advisory Services of the Disclosure Brochure for details on Watchstone’s investment philosophy and related services.**

### B. Program Costs

Advisory services provided by Watchstone are offered in a wrap fee structure whereby Covered Costs are included in the overall investment advisory fee paid to Watchstone. As the level of activity in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the Covered Costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on services to be provided to each Client, however, the Client is not charged more if there is higher trading activity or other Covered Costs. A Wrap Fee structure presents a conflict of interest as the Advisor is incentivized to limit the number of trades placed in the Client’s account[s] or to utilize securities that do not have transaction fees. As noted above, the Advisor’s recommended Custodian does not charge securities transaction fees for ETF and equity trades in Client accounts, but typically charges for mutual funds and other types of investments. As such, the Advisor is incentivized to utilize ETFs and other equity securities to limit the overall cost to the Advisor. The Advisor will only place Client assets into a Wrap Fee Program when it is believed to be in the Client’s best interest. **Please see Item 5 – Fees and Compensation of the Disclosure Brochure for complete details on fees.**

### C. Fees

The Watchstone Wrap Fee Program includes Covered Costs in connection with the discretionary investment management services provided by Watchstone. Securities transaction fees for Client-directed trades may be charged to the Client.

Aside from the securities transaction fees, Clients may also incur certain fees or charges imposed by third parties, which are not included as part of the Wrap Fee. Such other fees, which may include wire transfer fees, small account fees and other fees charged by the Custodian are not included in the Advisor’s Wrap Fee. The Advisor does not receive any portion of such fees.

In addition, all fees paid to Watchstone for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund’s prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee as a shareholder in a fund. Securities transaction fees for Client-directed trades will be charged back to the Client. In connection with the discretionary investment management services provided by Watchstone, the Client will incur other costs assessed by the Custodian or other third parties, other than the Covered Costs noted above, such as wire transfer fees, fees for trades executed away from the Custodian and other fees. The Advisor does not control nor share in these fees. The Client should review both the fees charged by the fund[s] and the fees charged by Watchstone to fully

understand the total fees to be paid. Please see Item 5.C. – Other Fees and Expenses in the Disclosure Brochure (included with this Wrap Fee Program Brochure).

#### **D. Compensation**

Watchstone is the sponsor and portfolio manager of this Wrap Fee Program. Watchstone receives investment advisory fees paid by Clients for participating in the Wrap Fee Program and pays the Covered Costs associated with the management of the Client's account[s].

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

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Watchstone offers investment advisory services to individuals, high net worth individuals, trusts, estates and businesses. The relative percentage of each type of Client is available on Watchstone's Form ADV Part 1. These percentages will change over time. Watchstone generally does not impose a minimum account size for establishing a relationship.

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

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#### **A. Portfolio Manager Selection**

Watchstone acts as sponsor and as portfolio manager for the Watchstone Wrap Fee Program. The Advisor does not select third-party advisors to manage the Program.

#### **B. Related Persons**

Watchstone personnel or affiliates serve as portfolio manager(s) for services under this Wrap Fee Program. Watchstone only manages this wrap fee program. Watchstone does not act as portfolio manager for any third-party wrap fee programs.

#### **C. Supervised Persons**

Watchstone Advisory Persons act as portfolio managers for the Watchstone Wrap Fee Program described in this Wrap Fee Program Brochure. Please refer to the complete Disclosure Brochure (included with this Wrap Fee Program Brochure) for details on the services provided by Watchstone and the backgrounds of its Advisory Persons.

#### Performance-Based Fees

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

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

#### Methods of Analysis

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

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

### Risk of Loss

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

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

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

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

### Market Risks

The value of a Client's holdings may fluctuate in response to events specific to companies or markets, as well as economic, political, or social events in the U.S. and abroad. This risk is linked to the performance of the overall financial markets.

### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

### Mutual Fund Risks

The performance of a mutual fund is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear.**

### Voting Client Securities

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

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

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Watchstone is the sponsor and portfolio manager for the Program.

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

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Watchstone is a full-service investment advisor advisory firm. Clients always have direct access to the President of Watchstone.

## **Item 9 – Additional Information**

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### **A. There are no legal, regulatory or disciplinary events involving Watchstone or its Supervised Persons.**

Watchstone and its Advisory Persons value the trust Clients place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD # 172835.

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

#### Code of Ethics

Watchstone has implemented a Code of Ethics (the "Code") that defines the Advisor's fiduciary commitment to each Client. This Code of Ethics applies to all Supervised Persons associated with Watchstone. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to the Client. Watchstone and its Supervised Person owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Watchstone Supervised Persons to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code covers a range of topics that address Supervised Person ethics and conflicts of interest. To request a copy of the Code, please contact the Advisor at (347) 993-3558.

#### Personal Trading with Material Interest

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

#### Personal Trading in Same Securities as Clients

Watchstone allows the purchase or sale of the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities the Advisor recommended (purchase or sell) to Clients presents a potential conflict of interest that, as fiduciaries, must be disclosed to Clients and mitigated through policies and procedures. As noted above, the Advisor has adopted a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. When trading for personal accounts, Supervised Persons have a conflict of interest if trading in the same securities. The fiduciary duty to act in the best interest of its Clients can be violated if personal trades are made with more advantageous terms than Client trades, or by trading based on material non-public information. This risk is mitigated by Watchstone requiring reporting of personal securities trades by its owner for review pursuant to its Code of Ethics. The Advisor has also adopted written policies and procedures to detect the misuse of material, non-public information.

#### Personal Trading at Same Time as Client

While Watchstone allows Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, such trades are typically aggregated with Client orders or traded afterwards.

At no time will Watchstone, or any associated person of Watchstone, transact in any security to the detriment of any Client.

#### Review of Accounts

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

#### Other Compensation

Watchstone does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party with respect to its investment management services.

Watchstone may refer Clients to various third parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, Watchstone may receive referrals of new Clients from a third-party. Watchstone does not receive compensation from any third party for referrals, nor does it compensate any third party for such referrals.

#### Participation in Institutional Advisor Platform

Watchstone has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like Watchstone. As a registered investment advisor participating on the Schwab Advisor Services platform, Watchstone receives access to software and related support without cost because the Advisor renders investment management services to Clients that maintain assets at Schwab. Services provided by Schwab Advisor Services benefit the Advisor and many, but not all services provided by Schwab will benefit Clients. In fulfilling its duties to its Clients, the Advisor endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits from a custodian creates a conflict of interest since these benefits may influence the Advisor's recommendation of this custodian over one that does not furnish similar software, systems support, or services.

*Services that Benefit the Client* – Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of Client's funds and securities. Through Schwab, the Advisor may be able to access certain investments and asset classes that the Client would not be able to obtain directly or through other sources. Further, the Advisor may be able to invest in certain mutual funds and other investments without having to adhere to investment minimums that might be required if the Client were to directly access the investments.

*Services that May Indirectly Benefit the Client* – Schwab provides participating advisors with access to technology, research, discounts and other services. In addition, the Advisor receives duplicate statements for Client accounts, the ability to deduct advisory fees, trading tools, and back office support services as part of its relationship with Schwab. These services are intended to assist the Advisor in effectively managing accounts for its Clients, but may not directly benefit all Clients.

*Services that May Only Benefit the Advisor* – Schwab also offers other services to Watchstone that may not benefit the Client, including: educational conferences and events, consulting services and discounts for various service providers. Access to these services creates a financial incentive for the Advisor to recommend Schwab, which results in a conflict of interest. Watchstone believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

#### Client Referrals from Solicitors

Watchstone does not engage paid solicitors for Client referrals.

#### Financial Information

Neither Watchstone, nor its management, have any adverse financial situations that would reasonably impair the ability of Watchstone to meet all obligations to its Clients. Neither Watchstone, nor any of its Advisory Persons, has been subject to a bankruptcy or financial compromise. Watchstone is not required to deliver a balance sheet

along with this Disclosure Brochure as the Advisor does not collect advance fees of \$1,200 or more for services to be performed six months or more in advance.



## **Form ADV Part 2B – Brochure Supplement**

**for**

**David M. Greenberg**  
**President and Chief Compliance Officer**

**Effective: August 2, 2021**

This Form ADV 2B ("Brochure Supplement") provides information about the background and qualifications of David M. Greenberg (CRD# **5350852**) in addition to the information contained in the Watchstone Wealth Management LLC ("Watchstone" or the "Advisor") (CRD # 172835) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the Watchstone Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (347) 993-3558.

Additional information about Mr. Greenberg is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his name or Individual CRD# 5350852.



## Item 2 – Educational Background and Business Experience

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David Greenberg, born in 1967, is dedicated to advising Clients of Watchstone in his role as the President and Chief Compliance Officer. Mr. Greenberg earned a MBA from City University of New York in 2002. Mr. Greenberg earned a Bachelor of Arts from Dartmouth College in 1990. Additional information regarding Mr. Greenberg's employment history is included below.

### Employment History:

President, Watchstone Wealth Management LLC	12/2014 to Present
Financial Advisor, Ameriprise Financial Services	10/2008 to 12/2014
Portfolio Manager, Access Securities, Inc.	06/2007 to 07/2007
Analyst, Glenrock Asset Management	01/2002 to 06/2007

## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. Greenberg.*** Mr. Greenberg has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Greenberg.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. ***As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Greenberg.***

The Advisor encourages you to independently view the background of Mr. Greenberg on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or Individual CRD# 5350852.

## Item 4 – Other Business Activities

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### Dartmouth College, Class of 1990

Mr. Greenberg also serves as a treasurer for Dartmouth College's Class of 1990 Alumni. Mr. Greenberg does not receive any form of compensation for the services he provides for Dartmouth College's Class of 1990 Alumni. This is a non-investment related activity; therefore, there is no conflict of interest.

## Item 5 – Additional Compensation

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Mr. Greenberg has additional activities detailed above in Item 4 above.

## Item 6 – Supervision

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Mr. Greenberg serves as the President and Chief Compliance Officer of Watchstone. Mr. Greenberg can be reached at (347) 993-3558.

Watchstone has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of Watchstone. Further, Watchstone is subject to regulatory oversight by various agencies. These agencies require registration by Watchstone and its Supervised Persons. As a registered entity, Watchstone is subject to examinations by regulators, which may be announced or unannounced. Watchstone is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## Privacy Policy

Effective: August 8, 2021

### Our Commitment to You

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

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

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

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

### Why you need to know?

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

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number[s]	Income and expenses
E-mail address[es]	Investment activity
Account information (including other institutions)	Investment experience and goals

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

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

### How do we protect your information?

To safeguard your personal information from unauthorized access and use we maintain physical, procedural and electronic security measures. These include such safeguards as secure passwords, encrypted file storage and a secure office environment. Our technology vendors provide security and access control over personal information and have policies over the transmission of data. Our associates are trained on their responsibilities to protect Client's personal information.

We require third parties that assist in providing our services to you to protect the personal information they receive from us.

### How do we share your information?

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

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

### **Changes to our Privacy Policy**

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

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

### **Any Questions?**

You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (347) 993-3558.