

**Item 1 Cover Page**



# Murphy Wealth Management Group, Inc.

Doing Business As: Murphy Wealth Management Group

Registered Investment Adviser

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**January 2021**

**NOTICE TO PROSPECTIVE CLIENTS: READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY**

All the material within this Brochure must be reviewed by those who are considering becoming a client of our firm. This Brochure provides information about the qualifications and business practices of Murphy Wealth Management Group, Inc. doing business as Murphy Wealth Management Group. If you have any questions about the contents of this Brochure, please contact us at (845) 226-1200 or [dmurphy@murphywealth.com](mailto:dmurphy@murphywealth.com).

In accordance with federal and state regulations, this Brochure is on file with the appropriate securities regulatory authorities as required. The information provided within this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States, or by the United States Securities and Exchange Commission. 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. Registration of a registered investment adviser does not imply any level of skill or training. Additional information about Murphy Wealth Management Group also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This Item number is used to summarize only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

Since our annual amendment filing submitted in January 2020 the following changes have been made to this brochure.

- Item 5 was updated to reflect a change to our financial planning and hourly consulting services fee ranges. The maximum hourly fee to be charged any client will not exceed \$1,000. Fixed fees range from \$1,000 to \$2,000.
- We also updated Item 5 to explain that investment management fees on accounts of less than \$500,000 are charged a fee higher than 1.25% but we do not charge more than 2.00%.
- Item 7 was updated to disclose that we require a minimum of \$500,000 in order to open an account managed by our firm. In certain instances, we will permit a lower minimum account size. The minimum fee generally charged for financial planning services is \$1,000.
- As of April 2020, Murphy Wealth Management Group, Inc. is participating in the Payroll Protection Plan program through the U.S. Small Business Administration. Please refer to Item 18.B. – PPP Loan for more specific information.

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#### **Item 4 – Advisory Business**

Murphy Wealth Management Group was founded and formed in March 1991 by Daniel J. Murphy Jr. to offer securities through LPL Financial, a Financial Industry Regulatory Authority (“FINRA”) and Securities Investors Protection Corporation (“SIPC”) member broker/dealer. The firm also offered investment advisory services through LPL Financial, which is also a Securities and Exchange Commission (“SEC”) registered investment adviser (“RIA”).

In July 2015, the firm was incorporated as a limited liability corporation.

In December 2015, the firm became registered as an investment adviser to offer investment advisory services directly through Murphy Wealth Management Group.

In January 2020, the limited liability corporation was re-organized to an S-Corporation.

The firm continues to offer securities through LPL Financial and maintains advisory assets with LPL Financial as the qualified custodian.

Murphy Wealth Management Group provides fee-based investment advisory services and financial planning services primarily to individual clients and high-net worth individuals. The firm is compensated based on a percentage of assets under management, as well as an hourly and fixed fee basis.

Investment advisor representatives (“IARs”) are restricted to providing services and charging fees based in accordance with the descriptions detailed in this document and the account agreement. However, the exact service and fees charged to a particular client are dependent upon the representative that is working with the client. Advisors are instructed to consider the individual needs of each client when recommending an advisory platform. Investment strategies and recommendations are tailored to the individual needs of each client. Individuals associated with Murphy Wealth Management Group are also registered representatives of LPL Financial. Any securities transactions shall be directed to LPL Financial for execution. Murphy Wealth Management Group and LPL Financial are not affiliated legal entities.

#### **Asset Management**

Murphy Wealth Management Group, through its investment advisor representatives, provides ongoing investment advice and management on assets in the client’s custodial Strategic Wealth Management (“SWM”) account held at LPL Financial. Strategic Wealth Management is the name of the custodial account offered through LPL to support investment advisory services provided by Murphy Wealth Management Group to our clients. More specific account information and acknowledgements are further detailed on the account application.

Investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), variable annuity subaccounts, real estate investment trusts (“REITs”), equities, and fixed income securities. The advice is tailored to the individual needs of the client based on the investment objective

chosen by the client in order to help assist clients in attempting to meet their financial goals. Clients can impose restrictions on investing in certain securities or types of securities. Clients are always responsible for notifying us of any changes to their financial situation or investment objectives. At least annually, we will contact each client for the specific purpose to determine whether the client's financial situation or investment objectives have changed, or if the client would like to impose and/or modify any reasonable restrictions on the management of their accounts. We are always reasonably available to consult with clients relative to the status of their accounts. A client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the accounts. A separate account is always maintained for each client with the broker-dealer/custodian and the client retains all rights of ownership to their accounts (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

It is important that you understand that we manage investments for other clients and can give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we buy, sell or recommend for any other clients or for our own accounts.

There are times that conflicts arise in the allocation of investment opportunities among accounts we manage and/or review. We strive to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

We require that your assets to be allocated to our Asset Management Services Program be maintained in a brokerage account with LPL Financial, an SEC registered broker/dealer and member NYSE/SIPC. LPL Financial is the qualified custodian for all accounts established through our Asset Management Services Program.

You will appoint Murphy Wealth Management Group as your investment adviser of record on specified accounts. Your account will consist only of separate account(s) held by the qualified custodian under your name. Murphy Wealth Management Group does not act as custodian and does not have direct access to your funds and securities except to have advisory fees deducted from your account with your prior written authorization. LPL Financial, as the qualified custodian, will maintain physical custody of all funds and securities of your Account, and you will retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) for your account.

Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile.

A minimum account value of \$100,000 is generally required for the program. In certain instances, Murphy Wealth Management Group will permit a lower minimum account size.

Murphy Wealth Management Group offers asset management on a discretionary basis. As of December 1, 2020, the firm has \$177,604,070 discretionary assets under management.

### **Financial Planning Services**

As part of our financial planning services, Murphy Wealth Management Group, through its investment advisor representatives, provide personal financial planning tailored to the individual needs of the client. These services include, as selected by the client on the financial planning agreement, information and recommendations regarding tax planning, investment planning, retirement planning, pension consulting, estate needs, business needs, education planning, life and disability insurance needs, long-term care needs and cash flow/budget planning. The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. Fees for such services are negotiable and detailed in the client agreement.

Depending on the scope of service and request from the client, the financial plan can include generic recommendations as to general types of investment products or specific securities determined to be appropriate for the Client to purchase given his/her financial situation and objectives. The Client is under no obligation to act upon the investment adviser's recommendation or purchase such securities through Murphy Wealth Management Group and the IAR. If the Client elects to act on any of the recommendations, the Client is under no obligation to affect the transaction through the investment adviser. If the Client desires to purchase securities or advisory services in order to implement his/her financial plan, Murphy Wealth Management Group makes a variety of products and services available through its IARs. This will result in the payment of normal and customary commissions, advisory fees or other types of compensation to Murphy Wealth Management Group and the IAR.

Depending on the type of account that could be used to implement a financial plan, such compensation will include, but is not limited to, advisory fees; commissions; transaction charges; confirmation charges; small account fees; mutual fund 12b-1 fees; variable annuity investor servicing fees; retirement plan fees; marketing support payments from mutual fund, annuity and insurance sponsors; administrative servicing fees for trust accounts; and bonuses, awards or other things of value offered by Murphy Wealth Management Group to the IAR. To the extent that IAR recommends that Client invest in products and services that will result in compensation being paid to Murphy Wealth Management Group and the IAR, this presents a conflict of interest because the recommendations could be based on the receipt of additional compensation and not based solely on the client's overall investment and financial best interests. Moreover, the compensation to IAR and Murphy Wealth Management Group will be more or less depending on the product or service that IAR recommends. Therefore, the IAR will have a financial incentive to recommend that a financial plan be implemented using a certain product or service over another product or service. Murphy Wealth Management has implemented procedures to control for this conflict of interest. It is our policy to make investment

recommendations factoring the total cost and expense to the client and to make investment recommendations based on the client's overall best interest.

The IAR will receive additional cash or non-cash compensation from advisory product sponsors. Such compensation will not be tied to the sales of any products. Compensation will include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives.

### **Hourly Consulting Services**

Murphy Wealth Management Group, through its IARs, provide consulting services on an hourly or fixed fee basis. These services include, as selected by the client in the consulting agreement, advice regarding tax planning, investment planning, retirement planning, pension consulting, estate planning, cash flow/budget planning, business planning, education planning, and personal financial planning. The services take into account information collected from the client such as financial status, investment objectives and tax status, among other data. If agreed upon with the client, the IARs will deliver to the client a written analysis or report as part of the services. The IARs tailor the hourly or fixed fee consulting services to the individual needs of the client based on the totality and level of service chosen by the client. The engagement terminates upon final consultation with the client. Fees for such services are negotiable and detailed in the client agreement.

### **Item 5 – Fees and Compensation**

#### **Asset Management**

The specific manner in which fees are charged by the firm is established in a client's written agreement and account application between the client and Murphy Wealth Management Group. Clients can determine to engage the services of Murphy Wealth Management Group on a discretionary basis. Murphy Wealth Management Group does not manage accounts on a non-discretionary basis. The firm's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under the firm's management to be charged quarterly in advance, and Murphy Wealth Management Group representatives can at their discretion negotiate a fee.

The account fee charged to the client for each advisory program is subject to the following standard fee schedule:

<b>Aggregate Assets</b>	<b>Advisory Fee</b>
\$500,000 - \$699,999	1.25%
\$700,000 - \$1,199,999	1.10%
\$1,200,000 - \$1,999,999	.95%
\$2,000,000 - \$2,999,999	.85%
\$3,000,000 - \$4,999,999	.70%
Over \$5,000,000	Negotiable

Fees charged on assets less than \$500,000 will be assessed at a fee higher than 1.25% but will not exceed 2.00%.

LPL is responsible for calculating and deducting advisory fees from client accounts. Client must provide LPL with written authorization to deduct fees and pay the advisory fees to Murphy Wealth Management Group. Murphy Wealth Management Group will then share the advisory fee with its investment advisor representatives.

If the custom advisory services apply to variable annuities for which the investment advisor representative receives trail compensation, such trail fees generally will be used to offset the advisory fee.

In connection with investments made through the account, the Client will also incur certain charges imposed by third parties other than Murphy Wealth Management Group including, but not limited to, mutual fund 12b-1 fees, mutual fund management fees and administrative expenses, deferred sales charges on previously purchased mutual funds transferred into the account, variable annuity expenses, other transaction charges and service fees, IRA and qualified retirement plan fees, administrative servicing fees for trust accounts, and other charges required by law.

It is the policy of Murphy Wealth Management Group to select the lowest-expense mutual fund share class available through the LPL program. There is the chance that an alternative mutual fund share class is offered by the mutual fund sponsor company, but we cannot purchase it for our clients because we are limited to purchasing mutual funds only available through LPL and not every single mutual fund or mutual fund share class is available through LPL. So although we conduct best execution analysis to select the lowest share class available, we are limited to mutual funds only available through LPL.

To the extent you own a 12b-1 paying mutual fund or other mutual fund that pays a distribution, marketing or sales fee, please know that no one at Murphy Wealth Management Group will receive that fee. However, such fees and expenses are retained by LPL in their capacity as your account broker/dealer and qualified custodian. LPL does not incentivize us or otherwise try to influence us to pick investments that pay them a 12b-1, distribution, marketing, sales or other fees and expenses.

In our Asset Management Services program, clients will elect to pay expenses under a “non wrap-fee” payment option meaning that advisory services are provided for a fee, but LPL transaction services are billed separately on a per-transaction basis, or will elect the bundled “wrap fee” payment option meaning that advisory services (including asset management) and transaction cost (including LPL ticket charges) are provided for one fee.

Because of this, our Asset Management Services are considered a wrap fee program. Whenever a fee is charged for services described in this Wrap Fee Program Brochure, we will receive all or a portion of the fee charged.



Depending on a number of factors, such as the number, size and nature of the securities transactions in an advisory account, the overall fees and charges borne by the client over time could be more or less than what these fees and charges would be if the same services were provided on a separate basis (i.e., on a non-wrap fee basis). Wrap-fee arrangements generally provide an economic incentive for the advisory firm to select investments and strategies that minimize trading costs. Frequent trading in an account where transaction fees are included as part of the overall advisory fee to the client drive trading costs higher and reduce the overall fee revenue to the advisor. As a result, higher trading costs in a wrap-fee account have a negative impact on the advisory firm's profitability.

From a management perspective, there is not a fundamental difference in the way we manage accounts that have elected the non-wrap fee option versus those that have elected the bundled wrap-fee payment option. The only significant difference is the way in which transaction costs are paid.

Either party can terminate the agreement for services at any time. If the advisory agreement is terminated before the end of the quarterly period, client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date.

For additional information, please see Item 12 – Brokerage Practices.

### **Financial Planning and Hourly Consulting Services**

Fees for financial planning and consulting services are charged on an hourly or fixed fee basis. The maximum hourly fee to be charged any client will not exceed \$1,000. Fixed fees range from \$1,000 to \$2,000. Fees for such services are negotiable. The client can choose to pay the fee upon execution of an Agreement with Murphy Wealth Management Group, upon delivery of the written financial plan, or a combination of upfront and in arrears. The client generally makes a check payable to Murphy Wealth Management Group for financial planning services. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of the engagement.

In the event that a client desires, a client can engage certain representatives of the firm, in their individual capacities as registered representatives of LPL Financial, an SEC registered and FINRA/SIPC member broker-dealer, to implement investment recommendations on a commission basis. In the event a client chooses to purchase investment products through LPL Financial, LPL Financial will charge brokerage commissions to effect securities transactions, a portion of which commissions LPL Financial shall pay to the firm's representatives, as applicable. The brokerage commissions charged by LPL Financial may be higher or lower than those charged by other broker/dealers.

The recommendation that a client purchase a commission product from LPL Financial presents a conflict of interest, as the receipt of commissions will 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 from LPL Financial. The firm's Chief Compliance Officer, Daniel Murphy, is available to address any questions that a client or prospective client may have regarding this conflict of interest.

LPL Financial charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). LPL enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. LPL Financial commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by LPL Financial may be higher or lower than those charged by other custodians and broker-dealers. Clients have the option to direct their brokerage transactions to a firm other than LPL Financial, but in those situations we cannot assist with the management of the account. Advisory fees are not reduced to offset commissions or markups.

Please note, clients can purchase investment products recommended by our firm through other, non-affiliated broker-dealers or agents.

When the firm's representatives sell an investment product on a commission basis, the firm does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Murphy Wealth Management Group representatives do not also receive commission compensation for such advisory services.

Because Murphy Wealth Management Group is an investment adviser-only firm, Murphy Wealth Management Group does not receive any commissions or similar-type, brokerage compensation. However, a client can engage the firm to provide investment management services for an advisory fee and also purchase an investment product from the firm's representatives on a separate commission basis when acting solely in their LPL registered representative capacity.

Our investment adviser representatives do not receive commissions or other brokerage-type compensation from Murphy Wealth Management Group fee-based, investment advisory accounts.

Moreover, our investment adviser representatives in their separate capacities as LPL registered representatives generally do not receive more than 10% of their overall income from commissions or other compensation for the sale of investment products through LPL.

LPL serves as a platform provider and broker-dealer for our Asset Management Services program.

Please note that for all services listed above, lower fees for comparable services may be available from other sources.

Investment advisor representatives are also licensed insurance agents. In the capacity of an insurance agent, they can recommend the purchase of certain insurance-related products on a commission basis.

The purchase of securities and/or insurance commission products presents a conflict of interest, as the receipt of commissions will 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 from investment advisor representative of the firm. Clients can purchase investment products recommended by investment advisor representatives through other, non-affiliated broker-dealers or insurance agents. Such conflicts are subject to review by the Chief Compliance Officer for consistency with the firm's Code of Ethics.

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

Neither the firm nor any supervised persons accepts performance-based fees, fees based on a share of capital gains, or on the capital appreciation of assets. Murphy Wealth Management Group does not provide advisory services to such clients as a hedge fund or other pooled investment vehicles.

#### **Item 7 – Types of Clients**

The advisory services offered by Murphy Wealth Management Group are available for individuals, individual retirement accounts ("IRAs"), banks and thrift institutions, pension and profit-sharing plans, including plans subject to Employee Retirement Income Security Act of 1974 ("ERISA"), trusts, estates, charitable organizations, state and municipal government entities, corporations and other business entities.

We require a minimum of \$500,000 in order to open an account managed by our firm. In certain instances, we will permit a lower minimum account size. The minimum fee generally charged for financial planning services is \$1,000.

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

We emphasize continuous and regular account supervision. As part of our asset management service, we generally create a portfolio, consisting of individual stocks or bonds, exchange traded funds ("ETFs"), mutual funds and other public and private securities or investments.

The client's individual investment strategy is tailored to their specific needs and may include some or all of the previously mentioned securities. Each portfolio will be initially designed to meet a particular investment goal, which we determine to be suitable to the client's circumstances. Once the appropriate portfolio has been determined, we review the portfolio at least quarterly and if necessary, rebalance the portfolio based upon the client's individual needs, stated goals and objectives. Each client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

The firm uses a combination of fundamental and technical analysis, as well as Modern Portfolio Theory in order to formulate investment advice when managing assets. Depending on the analysis, the firm will implement a long or short-term trading strategy based on the particular objectives and risk tolerance of a particular client.

**Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical Analysis** involves the analysis of past market data; primarily price and volume. Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

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

Please note, investing in securities involves risk of loss that clients should be prepared to bear. There are different types of investments that involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy will be profitable or equal any specific performance level(s). Past performance is not indicative of future results.

The firms' methods of analysis and investment strategies do not represent any significant or unusual risks however all strategies have inherent risks and performance limitations such as:

- **Market Risk** - the risk that the value of securities may go up or down, sometimes rapidly or unpredictably, due to factors affecting securities markets generally or particular industries.

- **Interest Rate Risk** - the risk that fixed income securities will decline in value because of an increase in interest rates; a bond or a fixed income fund with a longer duration will be more sensitive to changes in interest rates than a bond or bond fund with a shorter duration.
- **Credit Risk** - the risk that an investor could lose money if the issuer or guarantor of a fixed income security is unable or unwilling to meet its financial obligations.
- **Mutual Funds** - Investing in mutual funds carries the risk of capital loss and thus an investor may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).
- **Equity** - investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.
- **Fixed Income** - investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.
- **Exchange Traded Funds (ETFs)** - An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.
- **Annuities** - are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on

investment later in the future. Annuities are contracts issued by a life insurance company designed to meet retirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

- **Non-U.S. Securities** - present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an advisory firm or the integrity of a firm's management.

Any such disciplinary information for the company and the company's investment advisor representatives would be provided herein and publicly accessible by selecting the Investment Advisor Search option at <http://www.adviserinfo.sec.gov>.

There are no legal or disciplinary events to disclose.

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

Investment advisor representatives are registered representatives of LPL Financial, an unaffiliated SEC registered and FINRA/SIPC member broker-dealer. Clients may choose to engage an investment advisor representative in their capacity as a registered representative of the unaffiliated LPL Financial broker-dealer, to implement investment recommendations on a commission basis.

Investment adviser representatives of our firm offer insurance products and receive customary fees/commissions as a result of insurance sales. A conflict of interest will arise as these insurance sales creates an incentive to recommend products based on the compensation adviser and/or our supervised persons earn and may not necessarily be in the best interests of the client. Such conflicts of interest are subject to review by the Chief Compliance Officer and subject to LPL Financial surveillance controls.

Neither Murphy Wealth Management Group nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

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

Murphy Wealth Management Group maintains a Code of Ethics, which serves to establish a standard of business conduct for all employees that are based upon fundamental principles of openness, integrity, honesty and trust.

The Code of Ethics includes guidelines regarding personal securities transactions of its employees and investment advisor representatives. The Code of Ethics permits employees and investment advisor representatives or related persons to invest for their own personal accounts in the same or different securities that an investment advisor representative can purchase for clients in program accounts. This presents a potential conflict of interest because trading by an employee or investment advisor representatives in a personal securities account in the same or different security on or about the same time as trading by a client could potentially disadvantage the client. Murphy Wealth Management Group addresses this conflict of interest by requiring in its Code of Ethics that employees and investment advisor representatives report certain personal securities transactions and holdings to the Chief Compliance Officer for review. In addition, the conflict of interest is mitigated by an investment advisor representative's fiduciary duty to act in the best interests of their clients. Typically, the Chief Compliance Officer is an interested party on all advisor account held away from LPL Financial and receives duplicate statements.

Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

Murphy Wealth Management Group does not recommend clients buy or sell securities where a material financial interest exists.

### **Item 12 – Brokerage Practices**

Murphy Wealth Management Group receives support services and/or products from LPL Financial, many of which assist Murphy Wealth Management Group to better monitor and service program accounts maintained at LPL Financial. These support services and/or products are received without cost, at a discount, and/or at a negotiated rate, and include the following:

- investment-related research
- pricing information and market data



- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products and services used by Advisor in furtherance of its investment advisory business operations

Murphy Wealth Management Group has an arrangement with LPL Financial. LPL Financial offers to independent investment advisers non-soft dollar services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some non-soft dollar benefits from LPL Financial through our participation in the program.

It is not the result of soft dollar arrangements or any other express arrangements with LPL Financial that involves the execution of client transactions as a condition to the receipt of services. These support services are provided to Murphy Wealth Management Group based on the overall relationship between Murphy Wealth Management Group and LPL Financial. Murphy Wealth Management Group will continue to receive the services regardless of the volume of client transactions executed with LPL Financial. Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the Murphy Wealth Management Group to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement.

LPL Financial makes certain research and brokerage services available at no additional cost to our firm. These services may be provided directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by LPL Financial include research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by LPL Financial to our firm in the performance of our investment decision-making responsibilities.

Although the non-soft dollar investment research products and services that are obtained by our firm will generally be used to service all of our clients, fees and expenses paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

As a result of receiving the services, Murphy Wealth Management Group has an incentive to continue to use or expand the use of LPL Financial services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with LPL and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.



Clients may pay a commission to LPL Financial that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are affected. We routinely recommend that a client directs us to execute through a specified broker-dealer. Our firm recommends the use of LPL Financial. Each client that chooses LPL Financial will be required to establish an account if not already done. Please note that not all advisers have this requirement.

Clients can direct their brokerage transactions at a firm other than LPL Financial. However, we will not be able to service or help with the management of your account in those situations because we use only LPL Financial as our preferred broker/dealer and qualified custodian.

Murphy Wealth Management Group does not aggregate accounts based on the principle that there is no advantage or cost savings for clients because all clients pay a fixed percentage each year to have their accounts managed by Murphy Wealth Management Group.

### **Block Trading**

Transactions made in the same securities are generally affected for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used when we believe such action will prove advantageous to clients. When we aggregate client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable fees and expenses or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Our decision is also based on convenience and the ability to implement trades in numerous accounts more quickly and efficiently.

Under this procedure, transactions are placed at the same price for every client. The appropriate number of shares are purchased for all participating accounts and then divided on percentage of account basis consistent with each client's investment objectives. Therefore, each client will receive exactly the same investment price being purchased or liquidated on any given day, with the only difference being the quantity of shares, which is based on a difference in overall value of that particular investment. It should be noted, we don't receive any compensation or remuneration as a result of aggregation.

Although we primarily implement trades on a block-basis, we will implement trades on an individual-account basis for new accounts and new clients transitioning into our program. In these situations, the decision to not trade on a block-basis is based on the client's best interest to fully invest their accounts immediately rather than waiting for the next re-allocation or re-balance opportunity across multiple accounts. In situations where we will implement multiple, individual trades at approximately the same time, we use an alphabetic rotation process (account names from A – Z for the first trade, then account names from Z – A for the next trade) in an effort to offer a fair and objective trade-rotation process.

### **Item 13 – Review of Accounts**

For those clients to whom Murphy Wealth Management Group provides investment supervisory services, account reviews are conducted on an ongoing basis by Daniel Murphy, the Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise Murphy Wealth Management Group of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their investment advisor representative on an annual basis.

Daniel Murphy, the Chief Compliance Officer, will also conduct account reviews based on the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and by client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Murphy Wealth Management Group will also provide written periodic reports summarizing account activity and performance.

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

Murphy Wealth Management Group receives an economic benefit from LPL Financial in reimbursement for marketing related expenses. Please see detailed discussion of the categories of marketing related expenses and potential conflicts of interest in Item 12 Brokerage Practices.

Murphy Wealth Management Group and employees receive additional compensation from product sponsors. However, such compensation is not tied to the sales of any products. Compensation includes such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings with investment advisor representative, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors can also pay for or reimburse Murphy Wealth Management Group for the costs associated with, education or training events attended by Murphy Wealth Management Group employees

and investment advisor representatives and for Murphy Wealth Management Group sponsored conferences and events.

### **Item 15 – Custody**

It is the policy of Murphy Wealth Management Group to not maintain custody of client funds. LPL Financial will serve as the custodian of client assets on behalf of Murphy Wealth Management Group.

Murphy Wealth Management Group urges you to carefully review the statements provided by the custodian and compare such official custodial records to the account statements that are provided by Murphy Wealth Management Group.

The custodian sends statements at least quarterly to clients showing all disbursements in account including the amount of the advisory fees paid to advisor, the value of client assets upon which advisor's fee was based, and the specific manner in which advisor's fee was calculated. Clients generally provide authorization to the custodian permitting advisory fees to be deducted from client advisory account. The custodian generally calculates the advisory fees and deducts them from client's account every quarter. In some cases client accounts are considered as a household and the asset management fee is calculated by Murphy Wealth Management Group.

### **Item 16 - Investment Discretion**

The client can determine to engage Murphy Wealth Management Group to provide investment advisory services on a discretionary basis. Prior to Murphy Wealth Management Group assuming discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming Murphy Wealth Management Group as the client's attorney and agent in fact, granting Murphy Wealth Management Group full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account. Clients can place restrictions on certain types of investments purchased through Murphy Wealth Management Group.

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

Murphy Wealth Management Group does not vote client proxies. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Clients may contact Murphy Wealth Management Group at (845) 226-1200 to discuss any questions they may have with a particular solicitation.

### **Item 18 – Financial Information**

Murphy Wealth Management Group does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. At no time has Murphy Wealth Management Group been the subject of a bankruptcy petition.

**Item 18.B – PPP Loan**

Murphy Wealth Management Group, Inc. is participating in the Paycheck Protection Plan ("PPP") loan program through the U.S. Small Business Administration in conjunction with the relief afforded from the CARES Act during the COVID-19 Pandemic.

The PPP loan program is designed to provide a direct financial incentive for a small business to keep its employees on the payroll. In order to receive a PPP loan, the small business must certify that the current economic uncertainty makes this PPP loan request necessary to support its ongoing operations. For additional details about the PPP loan program, please visit <https://www.sba.gov/funding-programs/loans/coronavirus-relief-options/paycheck-protection-program> and <https://home.treasury.gov/system/files/136/PPP--Fact-Sheet.pdf>.

In April 2020, Murphy Wealth Management Group, Inc. received a PPP loan in the amount of \$72,200.00. This PPP loan has a 1% fixed interest rate and must be repaid within 2 years (but the initial payments are deferred for the first 6 months). The PPP loan did not require any collateral nor a personal guarantee. The U.S. Small Business Administration will forgive Murphy Wealth Management Group, Inc.'s repayment of such PPP loan (or a portion of the PPP loan depending upon the circumstances) if all employees are kept on the payroll for eight weeks and the proceeds are used for payroll expenses, rent, mortgage interest, or utilities.

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