

**Massachusetts Wealth Management, LLC.**

December 31, 2020

Part 2A of Form ADV: Firm *Brochure*

**Item I**

Massachusetts Wealth Management, LLC  
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**CONTACTS**

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**This brochure provides information about the qualifications and business practices of Massachusetts Wealth Management, LLC. If you have questions about the contents of this brochure, please contact us at (978) 685-1050 and/or sconte@masswealth.com. The information in this brochure has not been approved or verified by the United States Security and Exchange Commission or by any state securities authority.**

**Additional Information about Massachusetts Wealth Management, LLC also is available on the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD Number. Our firm's identification number is 160235.**

**Our registration as an Investment Advisor does not imply any level of skill or training. The oral and written communication we provide to you, including this Brochure, is information you use to evaluate us against other advisors in making your decision to hire us or to continue to maintain a mutually beneficial relationship.**

## **Item 2 Material Changes**

The Securities and Exchange Commission (“SEC”) requires that we advise you of material changes that have occurred at Massachusetts Wealth Management, LLC (“MWM”) since we posted our updated Form ADV Part 2 Brochure as of December 31<sup>st</sup>, 2019 to the SEC’s public disclosure website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). on 3/17/20.

### **We do not have any material changes to report.**

We have posted a new Form ADV Part 2, as of December 31, 2020 to the SEC’s public disclosure website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). If you would like the full brochure, you can download it from this website or contact us at 978-685-1050 or by email at:

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## **Item 4 Advisory Business**

### **A. Description of Advisory Firm**

Massachusetts Wealth Management, LLC, (“MWM”) was founded in 2011 by Samuel J. Conte II, the sole owner and President of the firm with over 28 years of experience. We manage client assets to the individual need of clients. Our clients consist of individuals, trusts, retirement plans, charitable foundations, and endowments. As noted, we are registered with the SEC. We have also made notice filings in Massachusetts as well as New Hampshire and Connecticut. We are a fee-based asset manager, meaning we bill on the value of assets under management; we do not receive commissions, nor do we sell products.

Advisory services are provided by Mr. Conte. See the Supplement to this Brochure for additional information about him.

### **B. Advisory Services**

As indicated, we provide investment advice only with respect to limited types of investments. We understand that our business activity is inherently risky as we build client portfolios using a mix of cash equivalents, investment grade bonds including corporate, municipal and treasury issues as well as common stocks. We concern ourselves with economic and business cycles as they impact asset prices. We attempt to earn stock market rates of return with less than market risks. We write an Investment Policy Statement for each of our clients identifying the mix and ranges of asset classes as well as identifying prohibited asset classes. We publish quarterly reports within thirty days of quarter end indicating changes in value both in dollars and percentages for the quarter, year to date, and since inception when available. All of our assets are managed on a fully discretionary basis within the confines of the Investment Policy Statement.

We provide limited-consulting services concerning investment strategy and asset allocation for an hourly fee but this is not a meaningful part of our business. In addition, Samuel Conte is a licensed insurance producer and provides life insurance on the request-only of the client. He does not solicit business in this area.

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

Each client completes an Individual Questionnaire and a Risk Tolerance Questionnaire, where their personal objectives, goals, and risks are assessed and documented. An Investment Policy Statement is written for each client and their portfolio is created based on extensive interviews with the client as well as the results of these written documents, hence we manage client assets to the individual need of the client.

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

MWM does not participate in wrap fee programs.

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

As of 12/31/20 we manage \$145,495,000 in discretionary accounts and have approximately 140 client relationships.

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

#### **A. Method of Compensation and Fee Schedule**

Massachusetts Wealth Management, LLC is a fee-based asset manager.

Our fees are negotiated at the rate of up to 1.5% of assets under management. Our fees are billed quarterly in arrears, on the market value of assets at the quarter end.

Consulting services will be billed quarterly at an hourly rate of \$250. Refunds will not apply due to the fact the service is billed in arrears.

#### **B. Client Payment of Fees**

Unless we otherwise agree, the fees will be remitted directly from your account upon receipt by the custodian of a statement by Massachusetts Wealth Management, LLC indicating the amount of the fee. A letter is sent to the client simultaneously advising them of this fee calculation and transaction. This letter contains the value of the assets, the date of the valuation, the fee deducted, and the rate. If a client requests, we will direct-bill with an invoice, and they may pay by check.

#### **C. Additional Client Fees**

Advisory fees payable to MWM are not the only fees and expenses associated with your account. When we purchase or sell securities in your account, brokerage commissions and transaction fees are charged directly by the custodian. As stated below, we have negotiated favorable commission rates for client transactions through UBS or Charles Schwab. MWM does not receive, directly or indirectly, any of these fees charged to the client. They are paid directly to the custodian.

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

Clients are not billed in advance. Our advisory services can be canceled by written instruction. In such case, a prorated fee will be charged as described above. However, termination will not affect either your or Massachusetts Wealth Management, LLC responsibilities under this agreement for previously initiated transactions or for balances due in this account. Upon termination, it is your exclusive responsibility to monitor the securities in your account, and

Massachusetts Wealth Management, LLC will have no further obligation to act or advise with respect to those assets.

#### **E. External Compensation for the Sale of Securities to Clients**

We do not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Our only source of revenue is the investment advisory fees received from our clients. We thereby avoid any potential conflicts of interest.

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

Massachusetts Wealth Management, LLC neither accepts Performance Based fees nor participates in Side-By-Side management practices.

#### **Item 7 Types of Clients**

Massachusetts Wealth Management, LLC provides investment advice to Individuals, Trusts, Retirement Plans, Endowments and Charitable Not-For-Profit Organizations. Our minimum account-opening requirement is \$250,000. Although we do not have a formal policy on minimum maintenance requirements, we encourage clients to seek investment alternatives if an account falls below \$100,000 in market value.

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

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

Massachusetts Wealth Management, LLC invests a significant percentage of client assets in common stocks. Although the long-term trend in common stock prices is favorable, this asset class offers no promise to return investor funds and stock prices are volatile, as such, although not desirable, the risk of loss is real and clients should be prepared and be able to accept loss of principal. We concern ourselves with the total return of fixed income assets as well as common stock and options; seeking a blended return to satisfy stated investment objectives. We are long-term investors and among other things, we pay particular attention to business cycles. We believe successful investing, over time, involves active asset allocation. We believe price is a very important consideration in the stock selection process.

### **B. Material Risks Investment Strategy and Method of Analysis**

We attempt to mitigate risk by a series of strategies including; asset allocation, diversification within asset categories and maximum initial purchase weighting. Additionally, the initial purchase value of any issue cannot be greater than 10% of portfolio value and the investment in any industry cannot have an initial value in excess of 20%. Dividends are an important consideration in our investment analysis

### **C. Security Specific Material Risk**

Investing in securities involves risk of loss that you should be prepared to bear. Each type of security (stock and bonds) has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it. As previously stated, here at MWM, we complete a risk assessment prior to investing, and attempt to earn stock market rates of return with less than market risk. Your portfolio is custom to you and your financial needs.

Our investment recommendations for your account are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.



## **Item 9 Disciplinary Information**

Massachusetts Wealth Management, LLC, and Samuel J. Conte II do not have any legal or disciplinary events that need to be disclosed.

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

### **A. Broker-Dealer or Representative Registration**

Massachusetts Wealth Management, LLC is not registered with any broker-dealer nor do we have any pending applications to do so.

### **B. Futures or Commodity Registration**

Massachusetts Wealth Management, LLC is not registered with any futures commission merchant, commodity pool operator, or commodity trading advisor, nor do we have any pending applications to do so.

### **C. Material Relationships Maintained by this Advisory Business and Conflict of Interest**

Although we have relationships with attorneys and certified public accountants, these are not material to our business.

Mr. Conte is a licensed insurance producer who can sell life insurance products. Although he does not actively solicit this business and only provides this service to his clients if requested, it could create a potential conflict of interest due to the receipt of commissions from such sales. Mr. Conte fully discloses to his clients a commission is being paid.

### **D. Recommendation or Selection of Other Investment Advisers and Conflicts of Interest**

We do not recommend or select other investment advisors nor do we receive any compensation from any other financial firm.

## Item 11 Code of Business Conduct and Ethics

### A. Code of Ethics Description

Massachusetts Wealth Management, LLC has a **fiduciary** obligation to its investment clients and seeks the highest standard of ethics and conduct in all of its business relationships. All records and reports created or maintained pursuant to this Code are intended solely for the internal use of MWM and the confidential use of its clients.

Rule 204A-1 under the Investment Advisors Act of 1940 requires all investment advisors registered with the Securities and Exchange Commission (“SEC”) to adopt codes of ethics that set forth standards of conduct and require compliance with federal security laws. This code has been adopted by the Firm pursuant to paragraph (a) (1), (2), (4) and (5) of Rule 204A-1.

### Policy Objectives

The objective of this code is to provide standards of honest and ethical conduct and deter wrongdoing. Adoption of this code by MWM upholds full, fair, accurate, timely and understandable disclosure in reports and documents which MWM files with the SEC, as well as other communications. The code promotes compliance with applicable governing rules and regulations, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

### Compliance with Laws, Rules and Regulations

MWM expects all of its employees to comply with all laws, rules and regulations applicable to its operation and business. Employees should seek guidance whenever they are in doubt as to the applicability of any law, rule or regulation regarding any contemplated course of action. If a course of action creates doubt on the part of an employee, they always should seek guidance before action. As a registered investment advisor, MWM is subject to regulation by the SEC and compliance with federal, state and local laws

### Conflicts of Interest

All employees are required to be diligent in avoiding any conflict of interest with regard to MWM’s client interest. A conflict of interest can arise when an employee or Shareholder activities or contemplated activities interferes with the person's ability to perform his duties for MWM or investment clients objectively and effectively. Conflicts of interest also arise when an employee or members of the individual's family receives undisclosed or improper benefits as a result of the individual's position with MWM. Any conflict of interest that arises in a specific situation or transaction must be **disclosed** by the individual **and resolved** before taking any action.

## **Confidentiality**

Employees are required to maintain the confidentiality of any information pertaining to MWM or its clients, except when disclosure is authorized or legally mandated. Confidential information includes nonpublic information of MWM that may be helpful to competitors, or otherwise harmful to MWM, or its clients. The obligation of “preservation of confidentiality of information” continues after employment with MWM ends.

## **Fair Dealing**

Employees must deal fairly with clients, and shall not seek unfair advantage through improper concealment, abuse of improperly acquired confidential information or the misrepresentation of material facts. Employees are duty bound to disclose facts truthfully and clearly so that the receiving party can rely on the veracity of the Firm's material disclosures.

## **Gifts and Entertainment**

Gifts or entertainment should never be offered, given or accepted by an employee in connection with MWM's business unless it is consistent with customary business practices, is not excessive in value and does not violate any laws or regulations. Employees may provide to or accept from any client or prospective client that does or seeks to do business with MWM a business entertainment such as dinner, tickets to theater or sporting events, golf outings etc. as long as the event is not extravagant or excessive or could construed to be a bribe, kickback, payoff or improper in any way.

## **Protection of Firm Assets**

It is the obligation of employees to protect the assets of MWM and its proprietary information. Proprietary information includes intellectual property such as business marketing and databases, records, salary information unpublished financial information and reports. Unauthorized use or distribution of this information is prohibited.

## **Administration and Enforcement of the Code**

Each newly hired employee will be provided with a copy of the code. Each employee shall certify in writing that they have received this copy within thirty (30) days of hire. Further they will acknowledge they have read and understand all of the provisions of the code and they agree to comply with the applicable terms of the code. Employees will annually certify that they have read, understood and complied with the code, they made all of the reports required by the code and have not engaged in any prohibited conduct.

### **B. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest**

MWM does not transact in securities in which it has a material financial interest.

**C. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

MWM does not prohibit personal trading by its employees. Purchases of securities in an employee's personal account must be communicated to the President. Individual brokerage statements of the employee will be reviewed on a quarterly basis to ensure no conflicts of interest exist.

**D. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

MWM does not prohibit personal trading by its employees, and is not concerned with any conflicts of interest occurring due to the fact that MWM purchases blue chip stocks. Any investment made by an employee could never affect the current trading volume and/or price of the stock. That being said, MWM will still adhere to its practice of reviewing employee's personal brokerage accounts on a quarterly basis.

## **Item 12 Brokerage Practices**

### **A. Factors Used to Select Broker-Dealers for Client Transactions**

With very minor exceptions the custodian of our assets is the investment bank UBS and Charles Schwab. We have negotiated favorable commission rates for our client transactions and since our investment philosophy is a long term buy and hold approach brokerage commissions are not a meaningful expense. We do not share in brokerage transactions nor do we require research or other services in exchange for our transaction flows. We are interested in prompt executions, and we do not receive client referrals from any broker-dealer.

### **B. Aggregating Securities Transactions for Client Accounts**

It is the practice of Massachusetts Wealth Management, LLC to often aggregate the purchase and sales of securities for our client accounts. Purchases cannot be aggregated when building an initial portfolio for a new client and are not aggregated as a result of an individual portfolio review.

## **Item 13 Review of Accounts**

### **A. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Massachusetts Wealth Management, LLC reviews client's accounts on a quarterly basis. The President performs these reviews. Portfolios are reviewed for, among other things, asset allocation, tax considerations and market concentration.

### **B. Review of Client Accounts on Non-Periodic Basis**

Factors that may trigger a review other than the periodic review are, among other things, market conditions or changes in client's stated needs as defined in the Investment Policy Statement including client's request for additional funds.

### **C. Content of Client Provided Reports and Frequency**

MWM publishes quarterly reports within thirty days of quarter end indicating change in value both in dollars and percentages for the quarter, year to date and since inception. In addition, the custodian sends a statement to the client on a monthly basis. This statement will include a list of portfolio holdings and transactions for the period. Duplicate trade confirmations are sent to the client as well as MWM at the time of the transaction.

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

### **A. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

Massachusetts Wealth Management, LLC does not receive any economic benefits from others regarding referrals.

### **B. Advisory Firm Payments for Client Referrals**

Massachusetts Wealth Management, LLC does not compensate others for referrals.



## **Item 15 Custody**

Except in the limited instances described below, MWM does not have custody of Clients' assets.

In the view of the SEC, investment advisors are deemed to have "custody" of client funds if they have the ability to directly debit advisory fees from client accounts. Because MWM often has authorization to directly debit the client's account(s) for payment of advisory fees MWM is said to exercise limited custody over client assets. MWM is responsible for assuring that the account's independent, qualified custodian will provide account statements directly to clients, at least quarterly, and that the client's statement will clearly label the advisor's fee.

Account statements from the custodians are sent directly to the client as well as the quarterly reports issued from Massachusetts Wealth Management, LLC. We recommend that clients compare the two on a quarterly basis for accuracy.

**Item 16 Investment Discretion**

Massachusetts Wealth Management, LLC accepts discretionary authority to manage securities accounts on behalf of clients. Before we assume this authority, a client signs an agreement with Massachusetts Wealth Management, LLC agreeing to this, as well as the completion of an Independently Advised Brokerage Account Client Authorization and Agreement form with the custodian UBS to allow executions/trades within their accounts held with the custodian.

**Item 17 Voting Client Securities**

Massachusetts Wealth Management, LLC does not have authority to vote client securities. This is documented in the agreement the client signs when hiring our services. Clients receive proxies and other solicitations directly from the custodian.

## **Item 18 Financial Information**

### **A. Balance Sheet**

Since Massachusetts Wealth Management, LLC does not require or solicit prepayment of fees from a client six months or more in advance, we are not required to submit a balance sheet and income statements.

### **B. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

There are no financial conditions that would impair MWM's ability to meet contractual commitments to clients. MWM does not solicit prepayment of fees from a client in advance.

### **C. Bankruptcy Petitions During the Past Ten Year.**

Neither Massachusetts Wealth Management, LLC nor any of its owners or employees have been the subject of a bankruptcy petition at any time.