



DAVID WEALTH MANAGEMENT, LLC

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

**Effective: March 12, 2021**

This Form ADV Part 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of David Wealth Management, LLC (“DWM” or the “Advisor”). If you have any questions about the contents of this Disclosure Brochure, please contact the Advisor at (703) 560-8300 or by email at [j david@davidwealth.com](mailto:j david@davidwealth.com).

DWM 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 DWM to assist you in determining whether to retain the Advisor.

Additional information about DWM 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# 164232.

**David Wealth Management, LLC**  
**8315 Lee Highway, Suite 325**  
**Fairfax, VA 22031**  
**Phone: (703) 560-8300**  
[www.davidwealth.com](http://www.davidwealth.com)

## 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 Advisory Persons of DWM. For convenience, the Advisor has combined these documents into a single disclosure document.

DWM 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. DWM 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 material changes have been made to this Disclosure Brochure since the last filing and distribution to Clients:

- The Advisor is transitioning from registration with the Commonwealth of Virginia to registration with the U.S. Securities and Exchange Commission.
- The Advisor has amended its fees for wealth management services. Please refer to Item 5 for further details.

### 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.

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# 164232. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (703) 560-8300 or by email at [jdavid@davidwealth.com](mailto:jdavid@davidwealth.com).

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## Item 4 – Advisory Services

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### A. Firm Information

David Wealth Management, LLC (“DWM” 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 the State of Virginia. DWM was founded in 2012 and is owned by James D. David (Managing Member and Chief Compliance Officer) and Maria Coakley David (Member). DWM is solely operated by Mr. David. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by DWM.

### B. Advisory Services Offered

DWM offers investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, businesses and other corporations (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. DWM’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

DWM provides Clients with wealth management services, which generally includes discretionary management of investment portfolios, as well as a broad range of comprehensive financial planning and consulting strategies.

*Investment Management Services* – DWM provides customized investment advisory solutions for its Clients as a component of its wealth management services. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and related advisory services. DWM 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. DWM will then construct a portfolio consisting of mutual funds offered by Dimensional Fund Advisors LP (“DFA”). DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. The DFA mutual fund fees are generally lower than fees and expenses charged by other fund providers. The Advisor is under no obligation to recommend DFA mutual funds to Clients and will only do so only when it is believed to be in the Client’s best interest. DFA mutual funds are exclusively made available through a registered investment advisor, therefore a Client may not invest in these funds in their independent capacity. The Advisor may also utilize other diversified mutual funds and exchange-traded funds (“ETFs”) to meet the needs of its Clients. The Advisor may retain certain legacy investments based on portfolio fit and/or tax considerations.

DWM’s overall investment philosophy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. DWM 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.

DWM evaluates and selects investments for inclusion in Client portfolios only after applying its internal due diligence process. DWM may recommend, on occasion, redistributing investment allocations to diversify the portfolio. DWM may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement. DWM may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of the Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client’s risk tolerance.

At no time will DWM 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], pursuant to the terms of the advisory agreement. Please see Item 12 – Brokerage Practices.

*Financial Planning Services* – DWM will typically provide a variety of financial planning services to Clients either as 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 involve preparing a formal financial plan based on the Client's financial goals and objectives. This planning 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 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.

DWM 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. Plans are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning recommendations pose 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 DWM 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 – DWM, in connection with the Client, will develop a strategy that seeks to achieve the Client's goals and objectives.
- Asset Allocation – DWM will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – DWM will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – DWM will provide investment management and ongoing oversight of the Client's investment portfolio.

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

DWM does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by DWM.

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

As of December 31, 2020, DWM manages \$110,275,359 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

Wealth management fees are paid quarterly, at the end of each calendar quarter, pursuant to the terms of the wealth management agreement. Wealth management fees are based on the market value of assets under management at the end of each calendar quarter. Wealth management fees are based on the following schedule:

Assets Under Management (\$)	Annual Rate (%)
First \$2,000,000	1.00%
Next \$1,000,000	0.75%
Over \$3,000,000	0.50%

The wealth management fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Certain Client may also pay a fixed fee not to exceed 1.00% of assets under management. Fees are negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the following factors, but not limited to, the aggregate assets under management with the Advisor, portfolio composition, the anticipated number of meetings and servicing needs and anticipated future additional assets. As a result of these factors, similarly situated Clients could pay different fees. All securities held in accounts managed by DWM will be independently valued by the Custodian. DWM will not have the authority or responsibility to value portfolio securities.

The Advisor's fee is exclusive of, and in addition to any applicable securities transaction and custody fees, and other related costs and expenses described in Item 5.C below, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs.

#### Financial Planning Services

When a Client engages DWM for stand-alone financial planning services, fees are at an hourly rate of \$300. Fees may be negotiable based on the nature and complexity of the services to be provided and the overall relationship with the Advisor. An estimate for total hours and overall costs will be provided to the Client prior to engaging for these services.

### B. Fee Billing

#### Wealth Management Services

Wealth management fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor or its delegate shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the respective quarter-end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4) to the total assets under management with DWM at the end of the quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the wealth management 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 DWM directly from their account[s] held by the Custodian as part of the wealth management agreement and separate account forms provided by the Custodian. Certain Clients may choose to pay the Advisor directly rather than having wealth management fees deducted from their account[s].

#### Financial Planning Services

Financial planning fees are invoiced upon completion of the agreed upon deliverable[s] and are due upon receipt.

### C. Other Fees and Expenses

Clients may incur certain fees or charges imposed by third parties, other than DWM, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custody and securities execution fees



charged by the Custodian. 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. The fees charged by DWM are separate and distinct from these custody and execution fees.

In addition, all fees paid to DWM 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. Generally, Clients may be able to invest in these products directly, without the services of DWM, but would not receive the services provided by DWM 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. However, Clients are unable to invest into DFA mutual funds directly, without the services of a registered investment advisor. If a Client chooses to terminate the relationship with the Advisor, the Client may hold the DFA mutual funds, but would not be able to purchase additional shares. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by DWM to fully understand the total fees to be paid. Please refer to Item 12 – Brokerage Practices for additional information.

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

##### Wealth Management Services

DWM is compensated for its services at the end of the quarter after wealth management services are rendered. Either party may terminate the wealth management agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the wealth management 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 Client's wealth management agreement with the Advisor is non-transferable without the Client's prior consent.

##### Financial Planning Services

DWM is compensated for its financial planning services upon completion of the engagement deliverable[s]. Either party may terminate the financial planning agreement, at any time, by providing advance 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. The Client's financial planning agreement with the Advisor is non-transferable without the Client's prior consent.

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

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

DWM 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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DWM offers investment advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, businesses and other corporations. The amount of each type of Client is available on DWM's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor.



DWM generally requires a minimum account size for establishing a relationship of \$250,000 to effectively implement its investment process.

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

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

DWM primarily employs an asset allocation strategy based on a derivative of Modern Portfolio Theory ("MPT").

*MPT* is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such, the factors for which MPT does not account (e.g., tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, DWM's investment process is structured in such a way to integrate those assumptions

As noted above, DWM generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. DWM 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, DWM 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. DWM 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 these methods 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 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. The 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 mutual funds 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**

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**There are no legal, regulatory or disciplinary events involving DWM or any management persons.** DWM values the trust you place in the Advisor. The Advisor does encourage 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# 164232.

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

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The sole business of DWM is to provide investment advisory services to its Clients. Neither DWM nor its Advisory Persons are involved in other business endeavors. DWM does not maintain any affiliations with other firms, other than contracted service providers to assist with the servicing of its Client's accounts. DWM does not recommend or select other investment advisers for Clients or receive compensation directly or indirectly from other investment advisers

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

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

DWM 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 DWM ("Supervised Persons"). The Code was developed to provide general ethical guidelines and specific instructions regarding the Advisor's duties to each Client. DWM and its Supervised Persons owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of DWM'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 our Code, please contact the Advisor at (703) 560-8300.

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

DWM does not allow Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. DWM 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. DWM does not recommend to clients, or buys or sells for Client accounts, securities in which DWM or a related person has a material financial interest.

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

DWM does not allow Supervised Persons to purchase or sell 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 conflict of interest that, as fiduciaries, must be disclosed and mitigated through policies and procedures. As noted above, the Advisor has adopted the Code to address insider trading (material non-public information controls); gifts and entertainment; outside business activities and personal securities reporting. 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 requiring reporting of personal securities trades by its Supervised Persons for review by the Chief Compliance Officer ("CCO") or delegate. 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**

DWM does not allow Supervised Persons to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. **At no time will DWM, or any Supervised Person of DWM, transact in any security to the detriment of any Client.**

### **Item 12 – Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

DWM 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 DWM to direct trades to the Custodian as agreed upon in the wealth management agreement. Further, DWM does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis.

Where DWM 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 DWM. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. DWM 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. DWM 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". DWM maintains an institutional relationship with Schwab, whereby the Advisor receives economic benefits from Schwab.

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. **DWM does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor does receive certain economic benefits from Schwab and Interactive Brokers. Please see Item 14.**

**2. Brokerage Referrals** - DWM 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 DWM 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]). DWM 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 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. DWM will execute its transactions through the Custodian as directed by the Client. DWM may aggregate orders in a block trade or trades when securities are purchased or sold through the Custodian for multiple (discretionary) accounts in the same trading day. 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 Client 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 James D. David, CCO of DWM. 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., 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 DWM 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 DWM**

DWM does not receive commissions or other compensation from product sponsors, broker-dealers or any unrelated third party. DWM 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, DWM may receive non-compensated referrals of new Clients from various third-parties.

### Participation in Institutional Advisor Platform

DWM has established an institutional relationship with Schwab through its "Schwab Advisor Services" unit, a division of Schwab dedicated to serving independent advisory firms like DWM. As a registered investment advisor participating on the Schwab Advisor Services platform, DWM receives access to software and related support without cost because the Advisor renders wealth 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 DWM 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. DWM believes, however, that the selection of Schwab as Custodian is in the best interests of its Clients.

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

DWM engages and compensates unaffiliated third-party referral sources (“Solicitors”) for Client referrals. Clients will not pay a higher fee to DWM as a result of such payments to Solicitors. The Advisor shall enter into an agreement with each Solicitor, which requires that full disclosure of the compensation and other conflicts is provided to the prospective client prior to or at the time of entering into the advisory agreement.

## **Item 15 – Custody**

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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 DWM 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 DWM 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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DWM 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 DWM. 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 a wealth management agreement containing all applicable limitations to such authority. All discretionary trades made by DWM will be in accordance with each Client’s investment objectives and goals.

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

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DWM 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 DWM, nor Mr. David, have any adverse financial situations that would reasonably impair the ability of DWM to meet all obligations to its Clients. Neither DWM, nor Mr. David, have been subject to a bankruptcy or financial compromise. DWM is not required to deliver a balance sheet along with this Disclosure Brochure as the Advisor does not collect fees of \$1,200 or more for services to be performed six months or more in advance.



DAVID WEALTH MANAGEMENT, LLC

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

**for**

**James D. David, CPA, PFS  
Managing Member**

**Effective: March 12, 2021**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of James D. David (CRD# 4092356) in addition to the information contained in the David Wealth Management, LLC (“DWM” or the “Advisor”, CRD# 164232) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the DWM Disclosure Brochure or this Brochure Supplement, please contact the Advisor at (703) 560-8300.

Additional information about Mr. David 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 full name or his Individual CRD# 4092356.



## Item 2 – Educational Background and Business Experience

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James D. David, CPA, PFS, born in 1957, is dedicated to advising Clients of DWM as the Managing Member. Mr. David earned a Masters in Science in Taxation from Georgetown University in 1989. Mr. David also earned a Bachelors of Science from Cornell University in 1979. Additional information regarding Mr. David's employment history is included below.

### Employment History:

Managing Member, David Wealth Management, LLC	07/2012 to Present
Investment & Strategic Advisor, Brown Advisory	05/2009 to 06/2012
Managing Director, Friedman, Billings, Ramsey & Co., Inc	12/1999 to 05/2009

### Certified Public Accountant ("CPA")

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

### Personal Financial Specialist ("PFS")

The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 80 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's Code of Professional Conduct and is encouraged to follow AICPA's Statement on Responsibilities in Financial Planning Practice. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA.

## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. David.*** Mr. David 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. David.

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. David.***

However, the Advisor does encourage you to independently view the background of Mr. David on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 4092356.



#### **Item 4 – Other Business Activities**

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Mr. David is dedicated to the investment advisory activities of DWM's Clients. Mr. David does not have any other business activities.

#### **Item 5 – Additional Compensation**

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Mr. David is dedicated to the investment advisory activities of DWM's Clients. Mr. David does not receive any additional forms of compensation.

#### **Item 6 – Supervision**

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Mr. David serves as a Managing Member, Investment Advisor Representative and Chief Compliance Officer of DWM. Mr. David can be reached at (703) 560-8300.

DWM has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of DWM. Further, DWM is subject to regulatory oversight by various agencies. These agencies require registration by DWM and its Supervised Persons. As a registered entity, DWM is subject to examinations by regulators, which may be announced or unannounced. DWM 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.



DAVID WEALTH MANAGEMENT, LLC

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

**for**

**Cornelius J. David  
Investment Advisor Representative**

**Effective: March 12, 2021**

This Form ADV 2B (“Brochure Supplement”) provides information about the background and qualifications of Cornelius J. David (CRD# 7250051) in addition to the information contained in the David Wealth Management, LLC (“DWM” or the “Advisor”, CRD# 164232) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you have any questions about the contents of the DWM Disclosure Brochure or this Brochure Supplement, please contact us at (703) 560-8300.

Additional information about Mr. David 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 full name or his Individual CRD# 7250051.

## Item 2 – Educational Background and Business Experience

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Cornelius J. David, born in 1990, advises clients of DWM as an Investment Advisor Representative. Mr. David earned a Bachelor of Arts in Biolog and a Bachelor of Music from University of North Carolina at Chapel Hill in 2013. Mr. David also earned a Master of Music from Bard College - The Longy School of Music in 2015. Additional information regarding Mr. David's employment history is included below.

### Employment History:

Investment Advisor Representative, David Wealth Management, LLC	03/2020 to Present
Tutor Development Staff, Academic Coach	09/2015 to Present
Barista, Starbucks Inc.	09/2014 to 06/2015

## Item 3 – Disciplinary Information

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***There are no legal, civil or disciplinary events to disclose regarding Mr. David.*** Mr. David 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. David.

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. David.***

However, we do encourage you to independently view the background of Mr. David on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with his full name or his Individual CRD# 7250051.

## Item 4 – Other Business Activities

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### Academic Coach

Mr. David is also an educational tutor for Academic Coach since September 2015 in New York, NY. Mr. David spends approximately 100 hours per month in this capacity.

## Item 5 – Additional Compensation

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Mr. David has additional business activities where compensation is received that are detailed in Item 4 above.

## Item 6 – Supervision

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Mr. David serves as a Investment Advisor Representative of DWM and is supervised by James David, the Chief Compliance Officer. Mr. David can be reached at (703) 560-8300.

DWM has implemented a Code of Ethics, an internal compliance document that guides each Supervised Person in meeting their fiduciary obligations to Clients of DWM. Further, DWM is subject to regulatory oversight by various agencies. These agencies require registration by DWM and its Supervised Persons. As a registered entity, DWM is subject to examinations by regulators, which may be announced or unannounced. DWM 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

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Effective: March 12, 2021

### Our Commitment to You

David Wealth Management, LLC ("DWM" 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. DWM (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.

DWM 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?

Driver's license number	Date of birth
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.

Basis For Sharing	Do we share?	Can you limit?
<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> DWM 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 DWM 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> DWM 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

## State-specific Regulations

California	In response to a California law, to be conservative, we assume accounts with California addresses do not want us to disclose personal information about you to non-affiliated third parties, except as permitted by California law. We also limit the sharing of personal information about you with our affiliates to ensure compliance with California privacy laws.
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## 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 (703) 560-8300.