

The financial advisors of WJ Wealth Management are registered representatives with securities offered through LPL Financial, member FINRA/SIPC.



**Registered As:**

**WJ Wealth Management, LLC**

**Doing Business As:**

**WJ Wealth Management  
Registered Investment Adviser**

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**March 05, 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 WJ Wealth Management doing business as WJ Wealth Management. If you have any questions about the contents of this brochure, please contact WJ Wealth Management at (602) 942-1321 or [jeffry.r.jones@lpl.com](mailto:jeffry.r.jones@lpl.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 WJ Wealth Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Material Changes**

At least annually, this section will summarize the material changes that have been made to WJ Wealth Management's brochure. We will also reference the date of our last annual update of our brochure. We will ensure that you receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

There have been no material changes since our previous annual amendment on March 16, 2021.

Currently, our Disclosure Brochure may be requested by contacting us at (602) 942-1321 or at [jeffry.r.jones@lpl.com/](mailto:jeffry.r.jones@lpl.com/) We welcome visitors to our website at [www.wjwealthmanagement.com](http://www.wjwealthmanagement.com) for a comprehensive overview of our firm and the professional services we offer.

Additional information about WJ Wealth Management is also available via the SEC's website [www.advserinfo.sec.gov](http://www.advserinfo.sec.gov) . The SEC's website also provides information about any persons affiliated with WJ Wealth Management who are registered, or are required to be registered, as investment adviser representatives of WJ Wealth Management.

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## **Advisory Business**

WJ Wealth Management is a registered investment adviser in Arizona. The firm's founding members Roger L. Wilson and Jeffry R. Jones organized the firm as an LLC in 2013 under the name WSJ/2<sup>nd</sup>50 Advisors while acting as Registered Representative and Investment Adviser Representatives of LPL Financial. In 2014, the name, WSJ/2<sup>nd</sup>50 Advisors, was changed to WJ Wealth Management and registered as an independent investment adviser in Arizona. Mr. Wilson and Mr. Jones remain as Registered Representative of LPL Financial.

Any and all material conflicts of interest are disclosed herein.

WJ Wealth Management provides fee based investment advisory services primarily to individual client and high –net worth individuals.

- The firm is a Registered Investment Adviser regulated by the U.S. Securities and Exchange Commission.
- The firm is compensated based on a percentage of assets under management.
- The individuals associated with WJ Wealth Management are appropriately licensed, and authorized to provide advisory services on behalf of WJ Wealth Management.

Advisor representatives 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 WJ Wealth Management are also registered representatives of LPL Financial, an SEC registered broker/dealer, a member of the Financial Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Any securities transactions shall be directed to LPL Financial for execution. WJ Wealth Management and LPL Financial are not affiliated legal entities.

## **Financial Planning Services**

As a part of our financial planning services, WJ Wealth Management, through its IARs, may provide personal financial planning tailored to the individual needs of the client. These services may 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 financial planning agreement.

The financial plan may include generic recommendations as to general types of investment products or specific securities which may 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 WJ Wealth Management and the IAR. However, if the Client desires to purchase securities or advisory services in order to implement his/her financial plan, WJ Wealth Management may make a variety of products and services available through its IARs, in their separate capacity as registered representatives and/or investment adviser representatives of LPL Financial. This may result in the payment of normal and customary commissions, advisory fees, or other types of compensation to the IARs of WJ Wealth Management in their separate capacity.

A conflict exists between the interest of the investment adviser and the interests of the client. Depending on the type of account that could be used to implement a financial plan, such compensation may include, but is not limited to, advisory fees; commissions; mark-ups and mark-downs; transaction charges; confirmation charges; small account fees; mutual fund 12b- fees; mutual fund sub-transfer agency fees; hedge fund, managed futures, and variable annuity investor servicing fees; retirement plan fees; fees in connection with an insured deposit account program; marketing support payments from mutual funds; annuity and insurance sponsors; administrative servicing fees for trust accounts; referral fees; compensation for directing order flow; and bonuses, awards or other things of value offered by WJ Wealth Management to the IAR. To the extent that IAR recommends that Client invest in products and services that will result in compensation being paid to the IARs of WJ Wealth Management, in their capacity as registered representatives or investment adviser representatives of LPL Financial, this presents a conflict of interest. This compensation to IAR of WJ Wealth Management may be more or less depending on the product or service that IAR recommends. Therefore, the IAR may have a financial incentive to recommend that a financial plan be implemented using a certain product or service over another product or service.

The IAR, in his/her capacity as a registered representative and/or investment adviser representative of LPL Financial, may receive additional cash or non-cash compensation from advisory product sponsors. Such compensation may not be tied to the sale of any products. Compensation may 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 education meetings or marketing or advertising initiatives.

### **Hourly Consulting Services**

WJ Wealth Management, though its IARs, may provide consulting services on an hourly basis, with fees not to exceed \$400.00 per hour. These services may 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. The IARs may or may not deliver to the client a written analysis or report as part of the services. The IARs tailor the hourly consulting services to the individual needs of the client based on the investment objective chosen by the client. The engagement terminates upon final consultation with the client. Fees for such services are negotiable and detailed in the consulting agreement.

Neither the firm nor any investment, advisor representative are register or have any application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.

### **Asset Management**

WJ Wealth Management through its Investment Adviser Representatives provides ongoing investment advice and management on assets in the client's custodial Strategic Wealth Management (SWM) / Managed Wealth Portfolio – Advisor Sleeve accounts held at LPL Financial. 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. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile.

A minimum account value of \$25,000 is generally required for the program. In certain instances, WJ Wealth Management will permit a lower minimum account size.

Assets managed in a wrap fee account are not managed differently from a non-wrap fee account. However, WJ Wealth Management may charge a higher fee, up to 2.5%, and receive a portion of the wrap fee for services provided.

WJ Wealth Management offers asset management on a discretionary and non-discretionary basis. As of December 31, 2020 the firm has \$143,475,816.73 in discretionary assets under management.

### **Optimum Market Portfolios Program (OMP)**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Advisor will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective. Advisor will have discretion to select a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

*A minimum account value of \$10,000 is required for OMP.*

### **Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. Advisor will have discretion for selecting the asset allocation model portfolio based on client's investment objective. Advisor will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities.

*A minimum account value of \$250,000 is required for PWP.*

### **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual funds asset allocation program. WJ Wealth Management investment advisor representatives will obtain the necessary financial data from the client; assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Advisor will initiate the steps necessary to open an MWP account and have discretion to select a model portfolio designed by LPL's Research Department consistent with the client's stated investment objective. LPL's Research Department is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

In the future, the MWP program may make available model portfolios designed by strategists other than LPL's Research Department. If such models are made available, Advisor will have discretion to choose among the available models designed by LPL and outside strategists.

*A minimum account value of \$25,000 is required for MWP / Advisor Sleeve.*

## **Fees and Compensation**

### **Financial Planning**

Fees for financial planning and consulting services are charged on an hourly or flat fee basis. The fee will be based on the type of services to be provided. Our standard fee is \$200 per hour. Fixed fees range between \$500 and \$2,500. The client may choose to pay the fee upon execution of an Agreement with WJ Wealth Management, upon delivery of the written financial plan, or a combination of upfront and in arrears. For clients that elect to receive ongoing services, the fee may be payable on a monthly basis. The client generally makes a check payable to WJ Wealth Management for financial planning and consulting services, but may also pay by credit card. In the event that the client pays by credit card, each transaction will be invoiced. The total estimated fee, as well as the ultimate fee charged, is based on the scope and complexity of the engagement. Lower fees for comparable services may be available from other sources. In the event that a client desires, a client can engage certain representatives of the firm, in their individual capacities as registered representatives or investment adviser representatives of LPL Financial, an SEC registered investment adviser and FINRA/SIPC member broker-dealer, to implement investment recommendations on a commission or advisory fee 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.

### **Other Advisory Fees**

WJ Wealth Management may direct clients to third party automated money managers. All fees will be memorialized in each contract. Fees will not exceed any limits imposed by any regulatory agency. The notice of termination required and the payment of fees will depend on the specific third party advisor selected.

### **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 WJ Wealth Management – up to 2.5% of assets under management. The account fee is typically a straight percentage based on the value of all assets in the account, including cash holdings. The account fee also may be structured on a tiered basis, with a reduced percentage rate based on reaching certain thresholds.

**Firm Brochure ADV Part 2A**

**Maximum Fee Schedule:**

<b>Account Balance</b>	<b>Fee%</b>
\$0 - \$50,000	2.5%
\$50,001 - \$100,000	2.0%
\$100,001 - \$250,000	1.5%
\$250,001 +	1.0%

**Example of a Typical Fee Schedule:**

<b>Account Balance</b>	<b>Fee%</b>
\$0 - \$100,000	1.25%
\$100,001 - \$500,000	1.05%
\$500,001 - \$1,000,000	1.00%
\$1,000,000 +	0.85%

In this example, if the fee is charged on a straight percentage basis, the annual fee on an account valued at \$150,000 would be calculated as follows:

$$\$150,000 \times 1.05\% = \$1,575 \text{ annually; } \$1,575/4 = \$393.75 \text{ quarterly}$$

If the fee is charged on a tiered basis, the annual fee on an account valued at \$150,000 would be calculated as follows:

$$\begin{aligned} \$100,000 \times 1.25\% &= \$1,250 \text{ annually; } \$1,250/4 = \$312.50 \text{ quarterly} \\ \$50,000 \times 1.05\% &= \$525.00 \text{ annually; } \$525.00/4 = \$131.25 \text{ quarterly} \end{aligned}$$

*100% of the account fee is paid to WJ Wealth Management and is shared with the IAR.*

Clients can determine to engage the services of WJ Wealth Management on a discretionary or non-discretionary basis. WJ Wealth Management representatives may at their discretion negotiate a fee up to the maximum fee listed above.

If the account is closed within the first six months by the client or as a result of withdrawals which bring the account value below the required minimum, Advisor reserves the right to retain the pre-paid quarterly advisory fee for the current quarter or cancel and rebill all transactions in the account at normal and customary brokerage commission rates, in order to cover the administrative cost of establishing the account which may include costs to transfer positions into and out of the account, data entry costs to open the account, cost associated with reconciling of positions in order to issue quarterly performance reports, and the cost of re-registering positions.

The account fee charged to the client for each advisory program is negotiable, subject to the following maximum account fees:



The account fee charged to the client for each advisory program is negotiable, subject to the following maximum account fees:

<b><u>Advisory Program</u></b>	<b><u>Annual Percentage of Assets Charge</u></b>
Asset Management	2.5%
OMP	2.5%
PWP	2.5%
MWP	2.5%

Account fees are payable quarterly either in advance or in arrears.

In the event that a client desires, a client can engage certain representatives of the firm, in their individual capacities as registered representative 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 commission charged by LPL Financial may be higher or lower than those charged by other broker-dealers.

In addition, LPL Financial, as well as the firm's representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

The recommendation that a client purchase a commission product from LPL Financial presents a conflict of interest, as the receipt of commission may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from LPL Financial. The firm's Chief Compliance Office, Jeffry R. Jones, 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 may direct their brokerage transactions at a firm other than LPL Financial. Advisory fees are generally not reduced to offset commissions or markups.

When dealing with investment advisory clients and services, investment adviser representatives have an affirmative duty of care, loyalty, honesty and good faith to act in the best interests of its clients. Investment adviser representatives should fully disclose all material facts concerning any conflict that does arise with these clients, and should avoid even the appearance of a conflict of interest.

The Firm and IARs must abide by honest and ethical business practices including, but not be limited to:

- Not inducing trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account;
- Making recommendations with reasonable grounds to believe that they are appropriate based on the information furnished by the client;
- Placing discretionary orders only after obtaining client's written trading authorization contained within the advisory agreement or via separate amendment;
- Not borrowing money or securities from, or lending money or securities to a client;
- Not placing an order for the purchase or sale of a security if the security is not registered, or the security or transaction is not exempt from registration in the specific state;

The Firm and IAR will:

- Allocate securities in a manner that is fair and equitable to all clients
- Not effect agency cross-transactions for client accounts

All Investment Adviser Representatives of WJ Wealth Management are required to sign an acknowledgement of their understanding and acceptance of these terms.

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

The Firm generally does not receive more than 10% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products the firm recommends to its clients. 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, WJ Wealth Management representatives do not also receive commission compensation for such advisory services (except for any ongoing 12b-1 trailing commission compensation that may be received as previously discussed). However, a client may 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.

Fees for customized and participant advisory services are typically based on the value of assets under management and will vary by engagement. The amount of the fee will be set out in the client agreement executed by the client at the time the relationship is established. The advisory fee is negotiable between the investment advisor representative and the client, and is payable either in advance or in arrears as described in the client agreement. LPL Financial is responsible for calculating and deducting advisory fees from client accounts held at LPL Financial. Client will provide LPL Financial with written authorization to deduct fees and pay the advisory fees to the RIA firm. The advisory fee is paid directly by LPL to the RIA firm (not the individual). The RIA firm will then share the advisory fee with its advisors/associated persons. A custom program account may be terminated according to the client agreement. 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.

In certain cases, LPL may serve as the broker-dealer on transactions in a customized advisory account. In such case, LPL may charge the client transaction charges in connection with trade execution through LPL.

The transaction charges will be clearly stated in the client agreement executed by the client at the time the relationship is established. If the custom advisory services apply to variable annuities for which the investment advisory representative receives trail compensation, such trail fees generally will be used to offset the advisory fee. In most cases, however, a third party broker-dealer will provide trade execution. In such case the broker-dealer may charge clients commissions, markups, markdowns and/or transaction charges.

Advisor receives compensation as a result of a client's participation in an LPL program. Depending on, among other things, the size of the account changes in its value over time, the ability to negotiate fees or commissions, and the number of transactions, the amount of this compensation may be more or less than what the Advisor would receive if the client participated in other programs, whether through LPL or another sponsor, or paid separately for investment advice, brokerage and other services.

LPL Financial serves as program sponsor, investment advisor and broker-dealer for the LPL advisory programs. WJ Wealth Management and LPL may share in the account fee and other fees associated with program accounts. Associated persons of Advisor may also be registered representatives of LPL>

Lower fees for comparable services may be available from other sources.

Investment Advisor Representatives may also be licensed insurance agents. In the capacity of an insurance agent, they may recommend the purchase of certain insurance-related products on a commission basis.

The purchase of securities and/or insurance product commission presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Investment Advisor Representatives of the Firm. Clients may purchase investment products recommended by investment advisory 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.

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

Neither the firm or any supervised persons accepts performance-based fees, fees based on a share of capital gains on or capital appreciation of the assets of a client such as a hedge fund or other pooled investment vehicle.

### **Types of Clients**

The advisory services offered by WJ Wealth Management 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.

However, the firm generally provides investment advice to individuals and high net-worth individuals. The firm is currently not working with other types of clients or pursuing them as prospects but would not turn away any opportunities that may arise.

For LPL Financials' Sponsored Advisory Programs account minimums are as follows:

- Asset Management: \$25,000
- Optimum Market Portfolios Program (OMP): \$10,000
- Personal Wealth Portfolios Program (PWP): \$250,000
- Model Wealth Portfolios Program (MWP): \$25,000

For customized advisory services, any required minimum account value will be set out in the client agreement.

### **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"), options, 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, state 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 (aka "charting") analysis 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 an evaluation of the financial condition and competitive position of a particular fund or issuer which typically involves an analysis of an issuer's management team, investment strategies, style, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis (aka "charting") involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that identifying historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that WJ Wealth Management, LLC will be able to accurately predict such a reoccurrence. Past performance does not guarantee future results and results will vary.

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.

### **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 any 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.

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

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

Investment advisors representatives of WJ Wealth Management are also dually registered with LPL Financial, an SEC registered investment adviser. This dual registration does not represent a conflict of interest as similar services for identical fees are charged. LPL Financial serves as the custodian for both advisers.

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

Neither WJ Wealth Management 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.

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

WJ Wealth Management 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 may 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. WJ Wealth Management addressed 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.

An investment advisor is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. 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. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. 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.

Neither WJ Wealth Management nor a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related personal has a material financial interest.

## **Brokerage Practices**

WJ Wealth Management receives support services and/or products from LPL Financial, many of which assist the WJ Wealth Management to better monitor and service program accounts maintained at LPL Financial. These support services and/or products may be received without cost, at a discount, and/or at a negotiated rate, and may 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
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- Consulting services
- Attendance at conferences, meetings, and other educations 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

These support services are provided to WJ Wealth Management based on the overall relationship between WJ Wealth Management and LPL Financial. It is not the result of soft dollar arrangements or any other express arrangement with LPL Financial that involves the execution of client transactions as a condition to the receipt of services. WJ Wealth Management 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 WJ Wealth Management 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.

WJ Wealth Management 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.

LPL Financial may make certain research and brokerage services available at no additional cost to our firm. These services may be directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by LPL Financial may 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 may be obtained by our firm will generally be used to service all of our clients, a brokerage commission 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 WJ Wealth Management may have 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.

LPL Financial charges brokerage commissions and transactions 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 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 determining factor is not the lowest possible cost, but whether the transactions represents the 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 effected. 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.

For customized advisory services, the Applicant and its related persons may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. The Applicant and its related persons may determine not to aggregate transacts, for example, based on the size of the trades, number of client accounts timing of trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If the Applicant or its related persons do not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that his practice of not aggregating may cost clients more money.

Clients may direct their brokerage transactions at a firm other than LPL Financial. However, we may be unable to achieve more favorable executions of client transactions. Client directed brokerage accounts may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

### **Review of Accounts**

For those clients to whom WJ Wealth Management provides investment supervisory services, account reviews are conducted on an ongoing basis by Jeffrey R. Jones, the Chief Compliance Officer. All investment supervisory clients are advised that it remains their responsibility to advise WJ Wealth Management 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.

Jeffrey R. Jones, the Chief Compliance Officer, may 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. WJ Wealth Management may also provide a written periodic report summarizing account activity and performance.



## **Client Referrals and Other Compensation**

WJ Wealth Management 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 referenced in Brokerage Practices.

WJ Wealth Management and employees may receive additional compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may 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 with investment advisor representative, client workshops or events, marketing events or advertising initiatives, including services for identifying prospective clients. Product sponsors may also pay for, or reimburse WJ Wealth Management for the costs associated with, education or training events that may be attended by WJ Wealth Management employees and investment advisor representatives and for WJ Wealth Management sponsored conferences and events.

WJ Wealth Management does not have any agreements in place to pay solicitors a portion of advisory fees. WJ Wealth Management does not directly or indirectly compensate any person who is not a supervised person for client referrals.

There are no other economic benefits provided by someone who is not a client for providing investment advice.

## **Custody**

WJ Wealth Management does not have actual or constructive custody of client funds. LPL Financial will serve as the custodian of client assets on behalf of the WJ Wealth Management. WJ Wealth Management may also provide advisory services on assets held at different third party custodians.

WJ Wealth Management urges you to carefully review the statements provided by the custodian and compare such official custodial records to the account statements that may be provided by WJ Wealth Management.

LPL Financial as 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 provide authorization to LPL financial permitting advisory fees to be deducted from client advisory account. LPL Financial calculates the advisory fees and deducts them from client's account every quarter.

## **Investment Discretion**

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

Clients who engage WJ Wealth Management on a discretionary basis may, at any time, impose restrictions, in writing, on the WJ Wealth Management discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the use of margin, etc.).

### **Voting Client Securities**

WJ Wealth Management does not vote client proxies but third party money managers selected or recommended by our firm may vote proxies for clients. Clients will otherwise receive their proxies or other solicitations directly from their custodian. Clients may contact WJ Wealth Management at (602) 942-1321 to discuss any questions they may have with a particular solicitation.

### **Financial Information**

WJ Wealth Management does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

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