

# Withum Wealth Management

## Brochure

**Dated: March 30, 2023**

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**This Brochure provides information about the qualifications and business practices of Withum Wealth Management. If you have any questions about the contents of this Brochure, please contact us at (732) 450-0147 or [cdavino@withumwealth.com](mailto:cdavino@withumwealth.com). 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.**

**Additional information about Withum Wealth Management is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to Withum Wealth Management as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes to our Brochure since our last Annual Amendment filing on March 25, 2022.

**Withum Wealth Management’s Chief Compliance Officer, Carmine D’Avino, remains available to address any questions that an existing or prospective client may have regarding this Brochure.**

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#### **Item 4            Advisory Business**

- A. Withum Wealth Management is a limited liability company formed on May 23, 2011 in the state of New Jersey. Withum Wealth Management became an SEC registered investment advisor firm on August 12, 2011. Withum Wealth Management is principally owned by Pinnacle Capital Management, LLC and WS&B Financial Services Group LLC. James F. Ferrare is Withum Wealth Management's Managing Member.

B.

##### **INVESTMENT ADVISORY SERVICES**

Withum Wealth Management provides discretionary investment advisory services on a *fee-only* basis. Withum Wealth Management's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Withum Wealth Management's management, generally between 0.50% and 1.25%.

Withum Wealth Management's investment management services typically include:

- A Dedicated Advisory Team
- Customized Portfolio Design and Discretionary Management
- Goals based approach with tax optimization overlay

##### **INTEGRATED WEALTH MANAGEMENT PLATFORM**

Withum Wealth Management offers its Integrated Wealth Management Platform (the "IWM Platform") to those clients who have investment assets under management with Withum Wealth Management in excess of \$2 Million. Participants in the IWM Platform are eligible to receive the following services in addition to the investment management services discussed above:

- Wealth Planning
  - Retirement Planning
  - Unlimited Access to our team of Certified Financial Planner (CFP®) Professionals for Ongoing Wealth Advice
- Annual Tax Preparation
  - Annual Personal Tax-Return<sup>1</sup>
- Periodic Estate Plan Review
  - Consultation with related Trust and Estate professionals
  - Review of strategies to minimize estate taxes and discussion of proper management of gifting and distributions

If the client utilizes the professional tax preparation services of WS + B, CPA, and a dispute arises thereafter relative to the performance of such services, the client agrees to seek recourse exclusively from and against WS + B, CPA. The client retains absolute discretion over the selection and utilization of any professional service and as such is free to decline the tax preparation services offered under the IWM Platform.

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<sup>1</sup> Tax returns for IWM Platform participants will be prepared by WithumSmith + Brown, P.C. a certified public accounting firm ("WS+B, CPA"). (See Item 10 below)

Conflict of Interest: The recommendation that a client engage WS + B, CPA in its capacity as a certified public accounting firm presents a *conflict of interest*, as Withum Wealth Management is affiliated with WS + B, CPA and it will derive an economic benefit from such engagement.

## **RETIREMENT CONSULTING**

Withum Wealth Management also provides pension consulting services, pursuant to which it assists sponsors of self-directed retirement plans with the selection and/or monitoring of investment alternatives (generally open-end mutual funds) from which plan participants shall choose in self-directing the investments for their individual plan retirement accounts. In addition, to the extent requested by the plan sponsor, Withum Wealth Management may also provide participant education designed to assist participants in identifying the appropriate investment strategy for their retirement plan accounts. The terms and conditions of the engagement shall generally be set forth in a *Retirement Plan Consulting Agreement* between Withum Wealth Management and the plan sponsor.

## **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

Withum Wealth Management may be engaged to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone separate fee basis. Prior to engaging Withum Wealth Management to provide planning or consulting services, clients are generally required to enter into a *Financial Planning and Consulting Agreement* with Withum Wealth Management setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Withum Wealth Management commencing services.

If requested by the client, Withum Wealth Management may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professionals. If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional (i.e. attorney, accountant, insurance agent, etc.), and **not** Withum Wealth Management, shall be responsible for the quality and competency of the services provided. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Withum Wealth Management.

It remains the client's responsibility to promptly notify Withum Wealth Management if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Withum Wealth Management's previous recommendations and/or services.

## **MISCELLANEOUS**

**Limitations of Financial Planning and Non-Investment Consulting/Implementation Services.** As indicated above, to the extent requested by a client, Withum Wealth Management may provide financial planning and related consulting services. Neither

Withum Wealth Management nor its investment adviser representatives assist clients with the implementation of any financial plan, unless they have agreed to do so in writing. Withum Wealth Management does not monitor a client's financial plan, and it is the client's responsibility to revisit the financial plan with Withum Wealth Management, if desired.

Withum Wealth Management will generally provide financial planning and related consulting services regarding non-investment related matters, such as tax planning, insurance, etc. Withum Wealth Management does not serve as an attorney, accountant or insurance agent, and no portion of our services should be construed as legal, accounting or insurance services. Accordingly, Withum Wealth Management does not prepare estate planning documents or tax returns, nor does it sell insurance products.

To the extent requested by a client, we may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including certain affiliated entities-*see* disclosure at Item 10 below. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Withum Wealth Management and/or its representatives.

If the client engages any recommended unaffiliated professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. At all times, the engaged licensed professional[s] (i.e. attorney, accountant, insurance agent, etc.), and not Withum Wealth Management, shall be responsible for the quality and competency of the services provided.

**Private Investment Funds.** One of Withum Wealth Management's Members, Pinnacle Associates Ltd. ("Pinnacle Associates"), currently serves as investment adviser and/or General Partner of certain investment limited partnerships (the "*Partnerships*"). To the extent certain of Withum Wealth Management's individual advisory clients qualify, they will be eligible to participate as limited partners of the *Partnerships*. All relevant information, terms and conditions relative to the *Partnerships*, including the compensation to be received by Pinnacle Associates as the General Partner, suitability, risk factors, and potential conflicts of interest, are set forth in the Confidential Private Offering Memorandum, Limited Partnership Agreement and Subscription Agreement, which each limited partner is required to receive and/or execute prior to being accepted as a limited partner of any of the *Partnerships*.

Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

**Valuation.** In the event that Withum Wealth Management references private investment funds owned by the client on any supplemental account reports prepared by Withum Wealth Management, the value(s) for all private investment funds owned by the client

shall reflect the most recent valuation provided by the fund sponsor. The current value of any private investment fund could be significantly more or less than the original purchase price or the price reflected in any supplemental account report provided by Withum Wealth Management.

**Sub-Advisory Arrangements.** Withum Wealth Management may engage sub-advisors for the purpose of assisting Withum Wealth Management with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by Withum Wealth Management. The sub-advisor shall continue in such capacity until such arrangement is terminated or modified by Withum Wealth Management. Withum Wealth Management shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services.

**Conflict of Interest:** Withum Wealth Management has a sub-advisory agreement with one of its Members, Pinnacle Associates Ltd. (*See* Item 10.C below.). Withum Wealth Management's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions concerning Withum Wealth Management's sub-advisory arrangements.

**Retirement Rollovers-Potential for Conflict of Interest:** A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Withum Wealth Management recommends that a client roll over their retirement plan assets into an account to be managed by Withum Wealth Management, such a recommendation creates a conflict of interest if Withum Wealth Management will earn new (or increase its current) compensation as a result of the rollover. If Withum Wealth Management provides a recommendation as to whether a client should engage in a rollover or not, Withum Wealth Management is acting as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. No client is under any obligation to roll over retirement plan assets to an account managed by Withum Wealth Management.

**Administrative Support.** Withum Wealth Management has entered into a contractual relationship with one of its Members, Pinnacle Associates Ltd. to assist Withum Wealth Management with administrative support services.

**Cash Positions.** Withum Wealth Management continues to treat cash as an asset class. As such, unless determined to the contrary by Withum Wealth Management, all cash positions (money markets, etc.) shall continue to be included as part of assets under management for purposes of calculating Withum Wealth Management's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Withum Wealth Management may maintain cash positions for defensive purposes. In addition, while assets are maintained in cash, such amounts could miss market advances. Depending upon current yields, at any point in time, Withum Wealth Management's advisory fee could exceed the interest paid by the client's money market fund.

**Cash Sweep Accounts.** Account custodians generally require that cash proceeds from account transactions or cash deposits be swept into and/or initially maintained in the custodian's sweep account. The yield on the sweep account is generally lower than those available in money market accounts. To help mitigate this issue, Withum Wealth Management generally purchases a higher yielding money market fund available on the custodian's platform with cash proceeds or deposits, unless Withum Wealth Management reasonably anticipates that it will utilize the cash proceeds during the subsequent 30-day period to purchase additional investments for the client's account. Exceptions and/or modifications can and will occur with respect to all or a portion of the cash balances for various reasons, including, but not limited to, the amount of dispersion between the sweep account and a money market fund, an indication from the client of an imminent need for such cash, or the client has a demonstrated history of writing checks from the account.

**Use of Mutual and Exchange Traded Funds:** Most mutual funds and exchange traded funds are available directly to the public. Therefore, a prospective client can obtain many of the funds that may be utilized by Withum Wealth Management independent of engaging Withum Wealth Management as an investment advisor. However, if a prospective client determines to do so, he/she will not receive Withum Wealth Management's initial and ongoing investment advisory services.

**Use of DFA Mutual Funds:** Withum Wealth Management utilizes mutual funds issued by Dimensional Fund Advisors ("DFA"). DFA funds are generally only available through registered investment advisers. Therefore, if the client was to terminate Withum Wealth Management's services, and not transition to another adviser who utilizes DFA funds, restrictions regarding additional purchases of, or reallocation among other, DFA funds will generally apply.

**Structured Notes.** Withum Wealth Management may purchase structured notes for client accounts. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counterparty risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof before maturity may be limited.

**Socially Responsible Investing Limitations.** Socially Responsible Investing involves the incorporation of Environmental, Social and Governance considerations into the investment due diligence process ("ESG"). There are potential limitations associated with allocating a portion of an investment portfolio in ESG securities (i.e., securities that have a mandate to avoid, when possible, investments in such products as alcohol, tobacco, firearms, oil drilling, gambling, etc.). The number of these securities may be limited when compared to those that do not maintain such a mandate. ESG securities could underperform broad market indices. Investors must accept these limitations, including potential for underperformance. Correspondingly, the number of ESG mutual funds and exchange traded funds are few when compared to those that do not maintain such a

mandate. As with any type of investment (including any investment and/or investment strategies recommended and/or undertaken by Withum Wealth Management), there can be no assurance that investment in ESG securities or funds will be profitable, or prove successful. Withum Wealth Management does not maintain or advocate an ESG investment strategy, but will seek to employ ESG if directed by a client to do so.

**Independent Managers.** Withum Wealth Management may allocate a portion of the client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the Independent Manager[s] shall have day-to-day responsibility for the active discretionary management of the allocated assets, including, to the extent applicable, proxy voting responsibility. Withum Wealth Management shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors that Withum Wealth Management shall consider in recommending Independent Manager[s] include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research. The investment management fee charged by the Independent Manager[s] is separate from, and in addition to, Withum Wealth Management's investment advisory fee disclosed at Item 5 below.

**Cryptocurrency.** For clients who want exposure to cryptocurrencies, including Bitcoin, Withum Wealth Management, may advise the client to consider a potential investment in corresponding exchange traded securities or private funds that provide cryptocurrency exposure. Crypto is a digital currency that can be used to buy goods and services, but uses an online ledger with strong cryptography (i.e., a method of protecting information and communications through the use of codes) to secure online transactions. Unlike conventional currencies issued by a monetary authority, cryptocurrencies are generally not controlled or regulated and their price is determined by the supply and demand of their market. Because cryptocurrency is currently considered to be a speculative investment, Withum Wealth Management will not exercise discretionary authority to purchase a cryptocurrency investment for client accounts. Rather, a client must expressly authorize the purchase of the cryptocurrency investment. Withum Wealth Management does not recommend or advocate the purchase of, or investment in, cryptocurrencies. Withum Wealth Management considers such an investment to be speculative. Clients who authorize the purchase of a cryptocurrency investment must be prepared for the potential for liquidity constraints, extreme price volatility and complete loss of principal.

**Interval Funds.** When consistent with a client's investment objectives, Withum Wealth Management may allocate investment assets to "interval funds." Investment companies structured as "interval funds" are generally designed for long-term investors that do not require daily liquidity. Shares in interval funds typically do not trade on the secondary market. Instead, their shares are subject to periodic redemption offers by the fund at a price based on net asset value. Accordingly, interval funds are subject to liquidity constraints. Interval funds investing in securities of companies with smaller market capitalizations, derivatives, or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Generally, the interval funds recommended by Withum Wealth Management offer a two to three week period, on a quarterly basis, during which the client may seek the redemption of previously purchased interval funds.

**eMoney Advisor Platform.** Withum Wealth Management may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney



platform allows a client to view their complete asset allocation, including those assets that Withum Wealth Management does not manage (the “Excluded Assets”). Withum Wealth Management does not provide investment management, monitoring, or implementation services for the Excluded Assets. Unless otherwise specifically agreed to, in writing, Withum Wealth Management’s service relative to the Excluded Assets is limited to reporting only. Therefore, Withum Wealth Management shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, shall be exclusively responsible for such investment performance.

Without limiting the above, Withum Wealth Management shall not be responsible for any implementation error (timing, trading, etc.) relative to the Excluded Assets. The client may choose to engage Withum Wealth Management to manage some or all of the Excluded Assets pursuant to the terms and conditions of an *Investment Advisory Agreement* between Withum Wealth Management and the client. The eMoney platform also provides access to other types of information and applications including financial planning concepts and functionality, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Withum Wealth Management. Finally, Withum Wealth Management shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Withum Wealth Management’s assistance or oversight.

**Portfolio Activity.** Withum Wealth Management has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, Withum Wealth Management will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including, but not limited to, investment performance, fund manager tenure, style drift, account additions/withdrawals, and/or a change in the client’s investment objective. Based upon these factors, there may be extended periods of time when Withum Wealth Management determines that changes to a client’s portfolio are neither necessary nor prudent. Clients nonetheless remain subject to the fees described in Item 5 below during periods of account inactivity.

**Client Obligations.** In performing its services, Withum Wealth Management shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains their responsibility to promptly notify Withum Wealth Management if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Withum Wealth Management’s previous recommendations and/or services.

**Cybersecurity Risk.** The information technology systems and networks that Withum Wealth Management and its third-party service providers use to provide services to Withum Wealth Management’s clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Withum Wealth Management’s operations and result in the unauthorized acquisition or use of clients’ confidential or non-public personal information. Clients and Withum Wealth Management are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost and reputational damage to respond to

regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Withum Wealth Management has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Withum Wealth Management does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

**Disclosure Statement.** A copy of Withum Wealth Management's written Brochure as set forth on Part 2A of Form ADV and its Client Relationship Summary as set forth in Form CRS shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

- C. Withum Wealth Management shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Withum Wealth Management shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at any time, impose reasonable restrictions, in writing, on Withum Wealth Management's services.
- D. Withum Wealth Management does not participate in a wrap fee program.
- E. As of December 31, 2022, Withum Wealth Management had \$1,331,507,854 in assets under management on a discretionary basis.

## **Item 5 Fees and Compensation**

A.

### **INVESTMENT ADVISORY SERVICES**

Withum Wealth Management provides investment advisory services on a discretionary *fee-only* basis. Withum Wealth Management's annual investment advisory fee shall vary (generally, between 0.50% and 1.25%) based upon various factors, including the total amount of assets placed under management/advisement.

Withum Wealth Management's investment advisory fee is negotiable at its discretion, depending upon objective and subjective factors including but not limited to: the amount of assets to be managed; portfolio composition; the scope and complexity of the engagement; the anticipated number of meetings and servicing needs; related accounts; future earning capacity; anticipated future additional assets; the professional(s) rendering the service(s); prior relationships with Withum Wealth Management and/or its representatives, and negotiations with the client. As a result of these factors, similarly situated clients could pay different fees, the services to be provided by Withum Wealth Management to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

Withum Wealth Management generally requires a \$1,000,000 minimum asset level for investment advisory services.

Clients are generally required to maintain an asset level in excess of \$2,000,000 in order to utilize Withum Wealth Management's IWM Platform.

### **FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)**

Withum Wealth Management provides financial planning and consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.) on a stand-alone fee basis. Withum Wealth Management's planning and consulting fees are negotiable, but generally range from \$500 to \$15,000 on a fixed fee basis and from \$125 to \$325 on an hourly basis, depending upon the level, complexity and scope of the service(s) required and the professional(s) rendering the service(s).

### **RETIREMENT CONSULTING**

The terms and conditions of Withum Wealth Management's retirement plan consulting services shall be set forth in an agreement between Withum Wealth Management and the plan sponsor. Withum Wealth Management's retirement consulting fees are negotiable but are generally charged as a percentage of the value of plan assets under advisement, which shall depending upon the level and scope of the service(s) required, as well as, the professional(s) rendering the service(s).

- B. Clients may elect to have Withum Wealth Management's advisory fees deducted from their custodial account. Both Withum Wealth Management's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Withum Wealth Management's investment advisory fee and to directly remit that management fee to Withum Wealth Management in compliance with regulatory procedures. In the limited event that Withum Wealth Management bills the client directly, payment is due upon receipt of Withum Wealth Management's invoice. Withum Wealth Management shall deduct fees and/or bill clients quarterly in advance or arrears, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Withum Wealth Management shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*"), Fidelity Investments ("*Fidelity*") and/or TD Ameritrade serve as the broker-dealer/custodian for client investment management assets.

Withum Wealth Management participates in the institutional advisor program (the "*Program*") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("*Ameritrade*"), an unaffiliated SEC-registered broker-dealer and FINRA member.

Broker-dealers such as *Schwab*, *Fidelity* and *Ameritrade* charge brokerage commissions and/or transaction fees for effecting certain securities transactions. Broker-dealers such as *Schwab*, *Fidelity* and *Ameritrade* charge brokerage commissions, transaction, and/or other type fees for effecting certain types of securities transactions (i.e., including transaction fees for certain mutual funds, and mark-ups and mark-downs charged for fixed income transactions, etc.). The types of securities for which transaction fees,

commissions, and/or other type fees (as well as the amount of those fees) shall differ depending upon the broker-dealer/custodian. While certain custodians, including *Schwab*, *Fidelity* and *Ameritrade*, generally (with the potential exception for large orders) do not currently charge fees on individual equity transactions (including ETFs), others do.

There can be no assurance that *Schwab*, *Fidelity* or *Ameritrade* will not change their transaction fee pricing in the future.

*Schwab*, *Fidelity* and *Ameritrade* may also assess fees to clients who elect to receive trade confirmations and account statements by regular mail rather than electronically.

In addition to Withum Wealth Management's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom Withum Wealth Management and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by *Schwab*, *Fidelity* and/or *Ameritrade*).

- D. Withum Wealth Management's annual investment advisory fee shall be prorated and paid quarterly, in advance or arrears, as the case may be, based upon the market value of the assets on the last business day of the previous quarter.

The *Investment Advisory Agreement* between Withum Wealth Management and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Withum Wealth Management shall either refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter or debit or separately bill the account for the pro-rated portion of the unpaid advanced advisory fee based upon the number of days that services were provided during the billing quarter, as the case may be.

- E. Neither Withum Wealth Management, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither Withum Wealth Management nor any supervised person of Withum Wealth Management accepts performance-based fees.

## **Item 7            Types of Clients**

Withum Wealth Management's clients shall generally include individuals, investment companies, investment limited partnerships, pension and profit sharing plans, business entities, trusts, estates and charitable organizations.

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

A. Withum Wealth Management may utilize the following methods of security analysis:

- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

Withum Wealth Management may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

**Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Withum Wealth Management) will be profitable or equal any specific performance level(s).

Investing in securities involves risk of loss that clients should be prepared to bear.

Investors generally face the following types investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk may be caused by external factors independent of the fund's specific investments as well as due to the fund's specific investments. Additionally, each security's price will fluctuate based on market movement and emotion, which may, or may not be due to the security's operations or changes in its true value. For example, political, economic and social conditions may trigger market events which are temporarily negative, or temporarily positive.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized

product. For example, Treasury Bills are highly liquid, while real estate properties are not.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- B. Withum Wealth Management's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Withum Wealth Management must have access to current/new market information. Withum Wealth Management has no control over the dissemination rate of market information; therefore, unbeknownst to Withum Wealth Management, certain analyses may be compiled with outdated market information, limiting the value of Withum Wealth Management's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Withum Wealth Management's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, Withum Wealth Management may also utilize certain options transactions.

**Covered Call Writing.** Covered call writing is the sale of in-, at-, or out-of- the money call option against a long security position held in a client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility. In light of these enhanced risks, client may direct Withum Wealth Management, in writing, not to employ any or all such strategies for their accounts.

**Borrowing Against Assets/Risks.** A client who has a need to borrow money could determine to do so by using:

- **Margin**-The account custodian or broker-dealer lends money to the client. The custodian charges the client interest for the right to borrow money, and uses the assets in the client's brokerage account as collateral; and,
- **Pledged Assets Loan**- In consideration for a lender (i.e., a bank, etc.) to make a loan to the client, the client pledges its investment assets held at the account custodian as collateral;

These above-described collateralized loans are generally utilized because they typically provide more favorable interest rates than standard commercial loans. These types of collateralized loans can assist with a pending home purchase, permit the retirement of more expensive debt, or enable borrowing in lieu of liquidating existing account positions and incurring capital gains taxes. However, such loans are not without potential material risk to the client's investment assets. The lender (i.e. custodian, bank, etc.) will have recourse against the client's investment assets in the event of loan default or if the assets fall below a certain level. For this reason, Withum Wealth Management does not recommend such borrowing unless it is for specific short-term purposes (i.e. a bridge loan to purchase a new residence). Withum Wealth Management does not recommend such borrowing for investment purposes (i.e. to invest borrowed funds in the market). Regardless, if the client was to determine to utilize margin or a pledged assets loan, the following economic benefits would inure to Withum Wealth Management:

- by taking the loan rather than liquidating assets in the client's account, Withum Wealth Management continues to earn a fee on such Account assets; and,
- if the client invests any portion of the loan proceeds in an account to be managed by Withum Wealth Management, Withum Wealth Management will receive an advisory fee on the invested amount; and,
- if Withum Wealth Management's advisory fee is based upon the higher margined account value, Withum Wealth Management will earn a correspondingly higher advisory fee. This could provide Withum Wealth Management with a disincentive to encourage the client to discontinue the use of margin.

The Client must accept the above risks and potential corresponding consequences associated with the use of margin or a pledged assets loans.

- C. Currently, Withum Wealth Management primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") on a discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9           Disciplinary Information**

Withum Wealth Management has not been the subject of any disciplinary actions.

## Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Withum Wealth Management, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Withum Wealth Management, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Accounting Firm.** Withum Wealth Management does not render accounting advice or tax preparation services to its clients. Rather, to the extent that a client requires accounting advice and/or tax preparation services, Withum Wealth Management may recommend the services of a Certified Public Accountant, all of which services shall be rendered independent of Withum Wealth Management pursuant to a separate agreement between the client and the Certified Public Accountant. Withum Wealth Management shall not receive any of the fees charged by any recommended Certified Public Accountant, referral or otherwise.

One of Withum Wealth Management's Members, WS + B Financial Services Group, LLC ("WS + B"), is owned by WithumSmith + Brown, P.C. a certified public accounting firm ("*WS+B, CPA*"). To the extent that *WS+B, CPA* provides accounting and/or tax preparation services to any clients, including clients of Withum Wealth Management, all such services shall be performed by *WS+B, CPA*, in its separate professional capacity, independent of Withum Wealth Management, for which services Withum Wealth Management shall not receive any portion of the fees charged by *WS+B, CPA*, referral or otherwise. It is expected that the members of *WS+B, CPA*, solely incidental to their respective practices as Certified Public Accountants with *WS+B, CPA*, may recommend Withum Wealth Management's services to certain of *WS+B, CPA*'s clients. *WS+B, CPA* is not involved in providing investment advice on behalf of Withum Wealth Management, nor does *WS+B, CPA* hold itself out as providing investment advisory services on behalf of Withum Wealth Management.

**Conflict of Interest.** The recommendation by Withum Wealth Management that a client use the services of *WS+B, CPA*'s presents a conflict of interest. No client of Withum Wealth Management is required to use the services of *WS+B, CPA*.

**IWM Platform Tax Preparation Service.** To the extent that *WS+B, CPA* provides tax preparation or accounting services to any clients, including clients who participate in the IWM Platform, all such services shall be performed by *WS+B, CPA*, in its separate professional capacity, independent of Withum Wealth Management, for which services Withum Wealth Management shall not receive any portion of the fees charged by *WS+B, CPA*, referral or otherwise. Instead, Withum Wealth Management shall be responsible for compensating *WS+B, CPA* for services provided.

**Other Investment Advisers.** WS + B and/or *WS+B, CPA* provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, etc.). If Withum Wealth Management's clients require and/or request the above financial planning and/or consulting services, Withum Wealth Management may recommend the services of WS + B, or *WS+B, CPA*.



Because WS + B is a Member of Withum Wealth Management, Withum Wealth Management has an incentive to recommend WS + B's and/or *WS+B, CPA*'s services to Withum Wealth Management's clients. No client of Withum Wealth Management is under any obligation to engage WS + B and/or *WS+B, CPA* for such financial planning services.

In the event that a client of Withum Wealth Management engages the services of WS + B and/or *WS+B, CPA* to provide financial planning and/or consulting services, all such services shall be provided by WS + B and/or *WS+B, CPA*, independent of Withum Wealth Management, for which Withum Wealth Management will not receive any portion of the fee for such services.

**Other Investment Adviser.** Withum Wealth Management provides investment management services to its clients through one of its Members, Pinnacle Associates, a SEC registered investment adviser. (See Sub-Advisory Arrangements above).

- D. Withum Wealth Management does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Withum Wealth Management maintains an investment policy relative to personal securities transactions. This investment policy is part of Withum Wealth Management's overall Code of Ethics, which serves to establish a standard of business conduct for all of Withum Wealth Management's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, Withum Wealth Management also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Withum Wealth Management or any person associated with Withum Wealth Management.

- B. Pinnacle Associates, one of Withum Wealth Management's Members, currently serves as investment adviser and/or General Partner of certain investment limited partnerships (the *Partnerships*, as discussed above in Item 4). To the extent certain of Withum Wealth Management's individual advisory clients qualify, they will be eligible to participate as limited partners of the *Partnerships*. The terms and conditions for participation in the *Partnerships*, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents
- C. Withum Wealth Management and/or representatives of Withum Wealth Management *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Withum Wealth Management and/or representatives of Withum Wealth Management are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Withum Wealth Management did not have adequate policies in place to detect such activities. In addition,

this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Withum Wealth Management’s clients) and other potentially abusive practices.

Withum Wealth Management has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Withum Wealth Management’s “Access Persons”. Withum Wealth Management’s securities transaction policy requires that an Access Person of Withum Wealth Management must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date Withum Wealth Management selects; provided, however that at any time that Withum Wealth Management has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Withum Wealth Management and/or representatives of Withum Wealth Management *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Withum Wealth Management and/or representatives of Withum Wealth Management are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a conflict of interest. As indicated above in Item 11.C, Withum Wealth Management has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Withum Wealth Management’s Access Persons.

## **Item 12      Brokerage Practices**

- A. In the event that the client requests that Withum Wealth Management recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Withum Wealth Management to use a specific broker-dealer/custodian), Withum Wealth Management generally recommends that investment management accounts be maintained at *Schwab, Fidelity* and/or *Ameritrade*. Prior to engaging Withum Wealth Management to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Withum Wealth Management setting forth the terms and conditions under which Withum Wealth Management shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Withum Wealth Management considers in recommending *Schwab, Fidelity* and/or *Ameritrade* or any other broker-dealer/custodian to clients) include historical relationship with Withum Wealth Management, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Withum Wealth Management's clients shall comply with Withum Wealth Management's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Withum Wealth Management determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including the value of

research provided, execution capability, commission rates, and responsiveness. Accordingly, although Withum Wealth Management will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Withum Wealth Management's investment management fee. Withum Wealth Management's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. TD Ameritrade Institutional Customer Program

Withum Wealth Management participates in the institutional advisor program (the "*Program*") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("*TD Ameritrade*"), an unaffiliated SEC-registered broker-dealer and FINRA member. *TD Ameritrade* offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Withum Wealth Management receives some benefits from *TD Ameritrade* through its participation in the *Program*.

There is no direct link between Withum Wealth Management's participation in the *Program* and the investment advice it gives to its clients, although Withum Wealth Management receives economic benefits through its participation in the *Program* that are not typically available to *TD Ameritrade* retail investors. These benefits include the following products and services (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing research, technology, and practice management products or services provided to Withum Wealth Management by third party vendors. *TD Ameritrade* may also have paid for business consulting and professional services received by Withum Wealth Management. Some of the products and services made available by *TD Ameritrade* through the *Program* may benefit Withum Wealth Management but may not benefit its client accounts. These products or services may assist Withum Wealth Management in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help Withum Wealth Management manage and further develop its business enterprise. *TD Ameritrade* may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Withum Wealth Management's representatives to attend conferences or meetings relating to the *Program* or to *TD Ameritrade's* advisor custody and brokerage services generally. The benefits received by Withum Wealth Management or its representatives through participation in the *Program* do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. Clients should be aware, however, that the receipt of economic benefits by Withum Wealth Management or its representatives in and of itself creates a conflict of interest and may indirectly influence Withum Wealth Management's recommendation of *TD Ameritrade* for custody and brokerage services.

**Withum Wealth Management's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

**Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Withum Wealth Management receives from *Schwab*, *Fidelity* and/or *Ameritrade* (or another broker-dealer/custodian, investment platform, unaffiliated investment manager, vendor, unaffiliated product/fund sponsor, or vendor) without cost (and/or at a discount) support services and/or products, certain of which assist Withum Wealth Management to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Withum Wealth Management may be 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, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Withum Wealth Management in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Withum Wealth Management in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Withum Wealth Management to manage and further develop its business enterprise.

There is no corresponding commitment made by Withum Wealth Management to *Schwab*, *Fidelity* and/or *Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**Withum Wealth Management's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding conflict of interest.**

2. Withum Wealth Management does not receive referrals from broker-dealers.
3. Withum Wealth Management will accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Withum Wealth Management will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Withum Wealth Management. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Withum Wealth Management to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur

higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Withum Wealth Management. Higher transaction costs adversely impact account performance.

Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

**Withum Wealth Management's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that Withum Wealth Management provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Withum Wealth Management decides to purchase or sell the same securities for several clients at approximately the same time. Withum Wealth Management may (but is not obligated to) combine or "bunch" such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among Withum Wealth Management's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Withum Wealth Management shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients to whom Withum Wealth Management provides investment supervisory services, account reviews are conducted on an ongoing basis by Withum Wealth Management's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Withum 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 Withum Wealth Management on an annual basis.
- B. Withum Wealth Management may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. 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. Withum Wealth Management may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, Withum Wealth Management receives an economic benefit from *Schwab*, *Fidelity* and/or *Ameritrade*. Withum Wealth Management, without

cost (and/or at a discount), receives support services and/or products from *Schwab, Fidelity* and/or *Ameritrade*.

There is no corresponding commitment made by Withum Wealth Management to *Schwab, Fidelity* and/or *Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

- B. Withum Wealth Management does not compensate, directly or indirectly, any person, other than its representatives, for client referrals.

## **Item 15      Custody**

Withum Wealth Management shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. 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. Withum Wealth Management may also provide a written periodic report summarizing account activity and performance.

To the extent that Withum Wealth Management provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Withum Wealth Management with the account statements received from the account custodian.

The account custodian does not verify the accuracy of Withum Wealth Management's advisory fee calculation.

Withum Wealth Management engages in other practices and/or services on behalf of its clients that require disclosure at ADV Part 1, Item 9, but which practices and/or services are not subject to an annual surprise CPA examination in accordance with the guidance provided in the SEC's February 21, 2017 Investment Adviser Association No-Action Letter.

## **Item 16      Investment Discretion**

The client can determine to engage Withum Wealth Management to provide investment advisory services on a discretionary basis. Prior to Withum Wealth Management assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming Withum Wealth Management as the client's attorney and agent in fact, granting Withum 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 Withum Wealth Management on a discretionary basis may, at any time, impose restrictions, **in writing**, on Withum Wealth Management's 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 Withum Wealth Management's use of margin, etc.).

## **Item 17          Voting Client Securities**

Withum Wealth Management utilizes the services of two (2) outside proxy firms, Proxy Edge and ISS Proxy, for domestic and international proxies, respectively. In addition, Withum Wealth Management may utilize a third-party service to assist it in voting client proxies. Unless the client directs otherwise in writing, Withum Wealth Management is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.).

Withum Wealth Management shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. Withum Wealth Management shall monitor corporate actions of individual issuers and investment companies consistent with Withum Wealth Management's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which Withum Wealth Management will consider when determining how it will vote differ on a case by case basis, they may, but are not be limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation.

With respect to individual issuers, Withum Wealth Management may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), Withum Wealth Management may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. Withum Wealth Management shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how Withum Wealth Management voted on any specific proxy issue is also available upon written request. Requests should be made by contacting Withum Wealth Management's Chief Compliance Officer, Carmine D'Avino.

## **Item 18          Financial Information**

- A. Withum Wealth Management does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Withum Wealth Management is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Withum Wealth Management has not been the subject of a bankruptcy petition.

**Withum Wealth Management's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**