

**Firm Brochure**  
**Part 2 of Form ADV**  
Item 1 – Cover Page

**Liberty Wealth Management, LLC**

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This brochure provides information about the qualifications and business practices of Liberty Wealth Management. If you have any questions about the contents of this brochure, please contact us at: (510) 658-1880, or by email at: [lwmcompliance@libertygroupllc.com](mailto:lwmcompliance@libertygroupllc.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 Liberty Wealth Management. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure. We discuss in this item only material changes since the last annual update of our brochure dated November 17, 2018. Since the last filing, no material changes have occurred.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (510) 658-1880 or by email at: [lwmcompliance@libertygroupllc.com](mailto:lwmcompliance@libertygroupllc.com)

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## Item 4 Advisory Business

### Firm Description

This brochure explains Liberty Wealth Management, LLC (“LWM” or “the Adviser”) advisory business and provides important information about our operations. We encourage you to read this brochure completely and carefully. You may contact us at the number provided on the cover page if you have any questions or to request another copy of this brochure, free of charge.

Established in 2018 LWM is owned and operated by Chairman/Founder David J. Hollander. LWM provides portfolio and asset management services to individuals, pensions, profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. The firm’s asset management services are rendered via a variety of programs including one-on-one consultation as well as third party asset management. Questions about the firm and its representatives may be directed to Mr. Drew Taylor, Chief Executive Officer (“CEO”) or Ron Guidi, Chief Operation Officer (“COO”) and Chief Compliance Officer (“CCO”).

Liberty Wealth Management, LLC is an SEC registered investment adviser. LWM also does business under the following names: Granite Bay Assets, Moore Financial Advice, and Vita Companies.

LWM is a fee-only investment management and financial planning firm. The firm does not sell securities on a commission basis. However, there are associated persons who are registered representatives with an affiliated broker dealer where they receive commissions as compensation.

LWM does not act as a custodian of client assets and the client always maintains asset control. LWM has discretion of client accounts and places trades for clients under a limited power of attorney and also has accounts without discretion where it does not have trading authority without prior client approval.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Any conflicts of interest arising out of LWM’s or its associated persons are disclosed in this brochure.

### Types of Advisory Services

LWM’s services include consulting with each client about their financial needs; selecting, purchasing and selling securities for their accounts; monitoring same; and providing appropriate reporting as to asset holdings and valuation. The firm develops a client’s investment plan and creates and manages a portfolio based on that plan. The plan is established through personal discussions with the client where their particular goals and objectives are discussed in detail.

LWM may manage accounts directly or use the services of a third party investment manager. For accounts managed directly, LWM may manage these accounts on a discretionary or a non- discretionary basis, depending on the client’s preference. This preference is also reflected within the client’s investment management agreement.

For those accounts managed on a discretionary basis, LWM typically holds a limited trading authorization. Account supervision is guided by the stated objectives of the client. LWM manages assets on both a discretionary basis and nondiscretionary basis. As of December 31, 2018, LWM had a total of \$892,882,000 in client assets, of which \$414,244,000 are managed on a discretionary basis, \$478,638,000 on a non- discretionary basis.

### **Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

### **Assignment of Investment Management Agreements**

Agreements may not be assigned without client consent.

### **Types of Services and Agreements**

The following services define the typical client relationship.

#### **Investment Management Agreement**

As part of the investment management service, all aspects of the client's financial affairs are reviewed and realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The Adviser periodically reviews a client's financial situation and portfolio through regular contact with the client which often includes an annual meeting with the client. The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the agreement may be terminated by either party in writing at any time.

#### **Financial Planning Agreement**

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

The financial planning may be the only service provided to the client and does not require that the client use or purchase the investment advisory services offered by the Advisor or any of the insurance products or other products and services offered by the associated persons of the Advisor. There is an inherent conflict of interest for the Advisor whenever a financial plan recommends use of professional investment management services or the purchase of insurance products or other financial products or services. The Advisor or its associated persons may receive compensation for financial planning and the provision of investment management services and/or the sale of insurance and other products and services. The Advisor does not make any representation that these products and services are offered at the lowest available cost and the client may be able to obtain the same products or services at a lower cost from other providers. However, the client is under no obligation to accept any of the recommendations of the Advisor or use the services of the Advisor in particular.

#### **Hourly/Fixed Fee Engagements**

LWM offers either a flat fee or an hourly fee plan for clients who need advice on a limited scope of work. The services generally include a financial plan consistent with the Client's financial status, investment objectives and tax status. The financial plan may include information regarding lifestyle objectives, retirement planning, planning for major purchases, life and disability insurance needs, long-term care needs, and estate planning issues. Clients will receive a written financial plan from LWM. This Agreement does not constitute an agreement for client management or advisory services. The flat rate for limited scope engagements range from \$2,500 - \$50,000.

#### **Asset Management**

LWM offers portfolio asset allocation advice on the management of investments in equities, fixed income, mutual funds exchanged-traded funds, commercial paper, certificates of deposit, private funds, including hedge funds,

private equity funds and other similar investments. Investment advisory services are offered on a discretionary and non-discretionary basis as described in the client's investment management agreement.

Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. LWM does not receive any compensation, in any form, from fund companies.

### **Wrap Fee Program**

Currently LWM does not offer a Wrap Fee program.

### **Third-Party Investment Manager(s) Services**

As part of its investment management services, LWM provides access to certain third-party investment managers through its Third-Party Manager Program. Accounts managed by third-party investment managers are typically managed on a discretionary basis in which the third-party manager has a limited trading authorization for the account. Such authority and any limitations therein are reflected within a Third-Party Manager Program Agreement. In these cases, LWM does not normally hold discretion over accounts managed by third-party investment managers.

The Third-Party Manager Program includes managers with a wide variety of investment strategies, some of which may carry a higher degree of risk. Such higher risk strategies are not intended for all investors and Clients should review the offering memorandum and/or ADV Part 2A of the third-party manager for a complete disclosure of their services and corresponding risk and different policies regarding termination of the client account.

### **Investment Workshops and Seminars**

LWM conducts group educational workshops on various investment topics. LWM does not charge an admission fee for these events. The information provided in these workshops is not designed to meet the individual objectives or needs of each attendee. There is no obligation for the attendee to schedule a consultation, purchase services or become a client. Information from these workshops may be shared between LWM, Hollander & Hollander ("H&H") and Lifetime Planning Marketing Inc. and tax professionals. There are no revenue sharing arrangements between LWM, H&H, Lifetime Planning Marketing Inc. and tax professionals.

### **Termination of Agreements**

A Client may terminate any of the aforementioned agreements at any time by notifying the Adviser in writing with 15 days prior notice. Clients shall be charged pro rata for services provided through to the date of termination. If the client made an advance payment, LWM will refund any unearned portion of the advance payment.

LWM may terminate any of the aforementioned agreements at any time by notifying the client in writing with 15 days prior notice. If the client made an advance payment, LWM will refund any unearned portion of the advance payment. LWM reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in LWM's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded.

## Item 5 Fees and Compensation

### Investment Management

LWM fees for investment advisory services are based on a percentage of assets under management with the standard fee being 1.0% of assets under management. The Adviser has sole discretion to negotiate a different fee with clients. For clients who choose a third-party Manager, the third-party manager fees are separate and distinct from LWM's fees and are added to LWM's 1.00% management fee. In general, third party manager fees range from 0.25% to 0.75% and are determined by the respective manager. Thus, clients that use third party managers will pay a total management fee of 1.25% - 1.75% depending on the manager selected. The Form ADV Part 2A or the third-party manager agreement details the fee of each manager.

The firm's annual fee is billed and payable quarterly in arrears or where third-party managers are employed, the annual fee may be payable in advance. Fees are based on a percentage of assets under management as of the last day of the preceding quarter. While we do not maintain physical custody of any client assets, depending on the agreement with the custodian, we may be allowed to directly debit your account the amount of the advisory fees. You can select this method of advisory fee payment on the Investment Advisory Agreement you sign with LWM. If you choose to not have fees directly deducted from your account, we will send you a quarterly invoice. You are responsible for any tax liabilities that result from any transactions.

The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed and fees paid but unused shall be refunded to the client. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

### Financial Planning

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The fee range is \$2,500 to \$50,000 and is at the sole discretion of the Adviser. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately and is negotiable based on the scope of the follow-on work.

### Fee Billing

Investment management fees are billed quarterly, in arrears, meaning that LWM will invoice the client after the three-month billing period has ended. For clients who choose a third-party Manager, fees are charged quarterly in advance meaning that we invoice the client before the three-month billing period has begun. Fees are based on a percentage of assets under management as of the last day of the preceding quarter. Payment in full is expected upon invoice presentation. Fees are deducted from the client account to facilitate billing as authorized by the investment management agreement. Fees billed upon completion for financial planning.

### Other Fees

A client will likely incur fees from brokerages, custodians, administrators and other service providers. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and

nature of these fees is based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by LWM.

The Adviser or the sub-advisors selected by LWM may include mutual funds, ETFs, and other managed products or partnerships in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to LWM. LWM, from time to time, may select or recommend to separately managed clients the purchase of proprietary investment products. To the extent the client's separately managed portfolio includes such proprietary products, LWM will adjust the client's fee associated with the client's separately managed account. The fees and expenses charged by the product providers are separate and distinct from the management fee charged by LWM. These fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or investment partnership directly, without the services of LWM. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Adviser to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client may pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

LWM may provide other services for which it charges a fee to the client. Recommending clients use these services is a conflict of interest and the client may obtain these services from other providers at possibly a lower cost. The client is under no obligation to purchase these services from LWM.

In some cases, there may be fees charged which are a result of brokered trading activity by associated personnel of LWM that is outside of the constructs of LWM's investment advisory portfolios and are thus not included in the management fee.

### **Conflict of Interest between Different Fee Structures**

LWM offers several different services detailed in this brochure that compensate the Adviser differently depending on the service selected. There is a conflict of interest for LWM and its associated personnel to recommend the services that offer a higher level of compensation to the Firm through either higher management fees or reduced administrative expenses. LWM mitigates this conflict through its procedures to review client accounts relative to the client or investor's personal financial situation to ensure the investment management service provided is appropriate. Further, LWM is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

### **Item 6 Performance Fees**

LWM does not charge performance-based fees based on a share of the capital gains or capital appreciation of managed securities. However, LWM may employ certain types of investments that do charge a performance fee in which LWM does not participate. For these investments, refer to their offering or private placement memorandum for an explanation and amounts of the performance fees.



## Item 7 Types of Clients

### Description

LWM generally provides investment advice to individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations and corporations or business entities. Client relationships vary in scope and length of service.

### Account Minimums

The minimum account size is \$50,000 of assets under management. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management. LWM has the sole discretion to waive the account minimum. Accounts of less than the minimum may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to the agreed amount within a reasonable time.

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

For portfolios LWM constructs internally, we employ a bottom-up, multiple-step quantitative and fundamental screening process. Each investment strategy involves a variation of our proprietary fundamental and quantitative analysis for portfolio construction. As discussed in Item 4, Advisory Business, LWM participates in a limited number of arrangements where we receive a model portfolio pursuant to a third-party manager per a model portfolio agreement and LWM will exercise investment discretion over use of the model(s).

Security analysis methods may include charting, fundamental analysis, technical analysis, cyclical analysis or other method. The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases. LWM employs several methods of analysis and sources of information with respect to its investment management and financial planning strategies. These methods of analysis include the following:

**Charting:** Charting consists of preparing a technical analysis using diagrams to illustrate various patterns or progressions in market or account movement.

**Fundamental:** Fundamental analysis is a general assessment based upon various factors including sale price, asset value, market structure, and history.

**Technical:** Technical analysis utilizes various software models and time weightings to determine best pricing, forecast, and overall value. Such analysis may use charts, graphs, and formulas to better demonstrate activity. The firm's main sources of information include a variety of market-based research materials, including some provided by third party sources. This information includes market commentary and specific securities analysis. The firm's investment strategies include the following;

- Long/short term purchases
- Margin transactions
- Option writing-covered call and spread strategies
- Trading

In conducting the analysis of securities, the firm uses a number of tools, including commercially available software technology, securities rating services, general market and financial information, due diligence reviews and specific investment analysis requested by the client. The principal sources of information include commercially available investment services, financial newspapers, various reports of mutual fund performance,

prospectuses, and various financial and business magazines, periodicals and issuer-prepared information, including filings with the Securities and Exchange Commission and financial statements.

LWM may also use outside consultants in certain circumstances to provide expertise as to particular areas of information or analysis. LWM's investment strategies used to implement its investment advice include the purchase or sale of specific securities and non-securities products and/or, in certain circumstances, the recommendation as to the retention by the client of a separate account manager.

### **Investment Strategies**

LWM's advice is primarily based upon long term investment strategies that incorporate the principles of modern portfolio theory. LWM's investment approach is firmly rooted in the belief that markets are "efficient", and that investors' returns are determined principally by asset allocation decisions, not market timing or stock picking. LWM develops diversified portfolios, primarily through the use of less actively managed, asset class mutual funds that are available generally to institutional investors and clients of a network of carefully selected advisers and separate account managers who follow a disciplined asset class investment approach.

Please note, that investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Where short term trading methods are employed, the cost of more frequent trades can often incur more expense than that of a more conservative or long-term purchase approach. Questions regarding these risks and/or increased costs may be directed to the applicable investment adviser representative at LWM.

Strategies may include long-term purchases, short-term purchases and trading.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

### **Risks of Loss**

Investment in securities involves substantial risk and has the potential for partial or complete loss of assets invested. Clients should be prepared to bear this risk. Our security analysis methods rely on the assumption that the data for the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities is accurate and unbiased. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information. All investment programs have certain risks that are borne by the investor which are described below:

#### **Market Risks:**

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. LWM will compete with firms, including larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of LWM substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. LWM cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Liberty Wealth Management's Investment Activities. LWM's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by LWM. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific

industries or companies. The securities markets may be volatile, which may adversely affect the ability of LWM to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of LWM and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. LWM will not be free to act upon any such information. Due to these restrictions, LWM may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. LWM selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to LWM by the issuers or through sources other than the issuers. Although LWM evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, LWM is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. LWM intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from LWM's investments may not adequately compensate for the business and financial risks assumed.

Small Companies. LWM may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

Options and Other Derivative Instruments. LWM may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held by LWM. The prices of many derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. LWM is not obligated to establish hedges for portfolio positions and may not do so.

Market or Interest Rate Risk. The price of most fixed income securities moves in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If an investor holds a fixed income security to maturity, the change in its price before maturity may have little impact on LWM's performance; however, if LWM has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to an investor.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, an investor is exposed to reinvestment rate risk – proceeds received when the bond is called will have to be reinvested at a lower interest rate. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if an investor purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, an investor is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

Investments in Non-U.S. Investments. From time to time, the Adviser may invest and trade a portion of client portfolios in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect an investment's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of an investment to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of an investor's foreign currency holdings. If an investor enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if an investor enters forward contracts for the purpose of increasing return, it may sustain losses.
- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Risk of Default or Bankruptcy of Third Parties. The Adviser may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions,

an investor could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid.

**Regulatory Risks:**

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment is appropriate.

Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject an investor to loss. Also, such a suspension could render it impossible for an investor to liquidate positions and thereby expose the investor to potential losses.

Conflicts of Interest: In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

Supervision of Trading Operations. The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

**Security Specific Risks:**

Liquidity: Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation. An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for these interests and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.

Currency: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Private Investment Risk: Investments in private funds, including debt or equity investments in operating and holding companies, investment funds, joint ventures, royalty streams, commodities, physical assets and other similar types of investments are highly illiquid and long-term. A portfolio's ability to transfer and/or dispose of private investments is expected to be highly restricted. The ability to withdraw funds from LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy.

## **Item 9 Disciplinary Information**

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide their client's with disclosure as to any legal or disciplinary activities deemed material to the client's evaluation of the Adviser. LWM does not have any disciplinary, regulatory, criminal or civil history to report at this time. For more information on the firm, investors are encouraged to visit the SEC website at:

[http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd\\_Search.aspx](http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_Search.aspx)

Detailed information regarding LWM's investment advisory representatives may be found in the Part 2B Supplement to this document.

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

David J. Hollander, Chairman/Founder of LWM is licensed as an investment adviser representative with the firm's investment advisory operations. Additionally, Mr. Hollander is separately licensed as an insurance agent/broker through Lifetime Planning Marketing Inc.

Through LWM, and Lifetime Planning Marketing Inc., Mr. Hollander implements recommended securities and insurance transactions for advisory clients for separate commission-based compensation. In addition to these duties, Mr. Hollander is also an attorney. Mr. Hollander may recommend his law firm to clients of LWM who are in need of legal services, and the law firm may recommend LWM to its clients. LWM has no referral fee arrangements with this law firm (the Law Offices of Hollander & Hollander).

LWM also conducts group educational workshops on various investment topics, we do not charge a fee for our workshops. The information provided in these workshops is not designed to meet the individual objectives or needs of each attendee.

### **Affiliations**

LWM or its related personnel's affiliation with a law firm and insurance companies/agencies is a conflict of interest as LWM or related personnel receive compensation for its activities in those areas. However, clients of LWM are not required to use the law firm or insurance services offered by Lifetime Planning & Marketing, Inc. or the associated persons of LWM. LWM does not make any representation that these services are at the lowest cost available and clients may be able to obtain those services and/or products at a more favorable rate from other service providers.

Some associated persons offer insurance products that are affiliated with an insurance company with which LWM has established a relationship. Insurance products include Fixed Index Annuities, Fixed Annuities, Variable Annuities, Life Insurance, Universal Life and Long-Term Care. The associated persons earn commissions on these insurance products in addition to their compensation with LWM. The commissions are based on the standard commission schedule of the provider of the insurance products and are generally not negotiable. There is an inherent conflict of interest in providing these products as financial plans or investment management services which LWM also earns fees, may recommend the purchase of insurance products. LWM does not make any representation that these products are available at the lowest cost and similar products are available from other providers. The client is under no obligation to purchase insurance products from the associated persons of LWM.

### **Brokerage Affiliations**

Associated persons of LWM may be registered representatives of an affiliated, by common ownership, with Liberty Group, LLC a broker dealer. The broker dealer registered representatives may provide brokerage services to clients of the Advisor to conduct directed trading activity for which the registered representatives receive compensation according to the commission schedules of the broker dealer. That associated personnel of LWM are affiliated with a broker dealer is a conflict of interest in that associated personnel receive commissions on brokerage transactions in addition to compensation they receive as an employee of LWM. Clients of LWM are not required to use the brokerage services offered by the registered representatives associated with LWM. LWM does not make any representation that the brokerage services are at the lowest cost available and clients may be able to obtain those services and/or products at a more favorable rate from other brokerages.

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

### **Code of Ethics**

LWM has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to LWM's Compliance department and requires the Chief Compliance Officer and or designee to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to LWM's Chief Compliance Officer. Each supervised person of LWM receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of LWM's Code of Ethics by contacting the Compliance department of LWM.

### **Participation or Interest in Client Transactions**

Under LWM's Code of Ethics, LWM and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of LWM, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and LWM, managers, members, officers or employees shall receive or pay the same price, or the clients shall receive a more favorable price. LWM and its managers, members, officers and employees may also buy or sell specific securities for their own accounts based on personal investment considerations, which LWM does not deem appropriate to buy or sell for clients.

### **Personal Trading**

The Chief Compliance Officer pre-approves all employee equity and equity derivative trades. Quarterly, the CCO or designee reviews all employee trades (except for his/her own trading activity that is reviewed by another principal or officer of the Firm. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

### **Insider Trading**

LWM has adopted a firm wide policy statement outlining insider-trading compliance by LWM and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of LWM and has been signed and dated by each such person. A copy of such firm wide policy is

left with such person and the original is maintained in a master file. Further, LWM has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of LWM, and signed, dated and filed with the insider trading compliance materials. There are provisions adopted for:

1. Restricting access to files;
2. Providing continuing education;
3. Restricting and/or monitoring trading on those securities of which LWM employees may have non-public information;
4. Requiring all employees to conduct their trading through a specified broker or reporting all transactions promptly to LWM; and
5. Monitoring the securities trading of the firm and its employees and associated persons.

Questions regarding the firm's Code of Ethics and/or Policies and Procedures may be addressed directly with the CCO.

## **Item 12 Brokerage Practices**

### **Brokerage Selection and Soft Dollars**

LWM has the authority over the selection of the broker to be used and the commission rates to be paid without obtaining specific client consent. LWM may recommend brokerage firms as qualified custodians and for trade execution. LWM does not receive fees or commissions from any of these arrangements. The Advisor will seek to achieve the best execution possible, but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost. The Advisor currently does not participate in any soft dollar programs.

### **Order Aggregation**

LWM may purchase and/or sell the same security for many accounts, even though each Client account is individually managed. When possible, LWM may also aggregate the same transaction in the same securities for many Clients for whom LWM has discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If LWM is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, LWM will allocate the filled portion of the transaction to clients based on an equitable rotational system as follows:

- LWM must ensure that adequate and full disclosure of its allocation and bunching practices has been made prior to the transaction.
- All clients/investors, accounts or funds participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis.
- Aggregate transactions must not be executed unless the intended and resultant aggregation is consistent with its duty to seek best execution and any terms found in LWM's written agreements.



- Aggregated orders filled in their entirety shall be allocated among clients/investors on a pro-rata based on the allocation statement and the variance from the modeled allocation of a security. Where this method prescribes an odd-lot that is less than 100 shares for an account, the allocation will be rounded up to a whole lot. Client/investor funds held collectively for the purpose of completing the transaction may not be held in this commingled manner for any longer than is practical to settle the transaction.
- Each client/investor, account or fund that participates in an aggregated order will participate at the average share price for all LWM's transactions in that security on a given business day, with transaction costs shared pro-rata based on each client/investor's, account's or fund's participation in the transaction.
- Investments resulting from any aggregated order must be consistent with the specific investment objective(s) of each client/investor, account or fund as detailed in any written agreements. No additional compensation shall result from the proposed allocation. No Client/investor, account or fund will be favored over any other Client/investor, account or fund as a result of the allocation.

### **Directing Brokerage for Client Referrals**

LWM and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

### **Directed Brokerage**

LWM allows clients to direct brokerage, but LWM does not require clients to direct brokerage. In the event that a client directs LWM to use a particular broker or dealer, LWM may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct LWM to use a particular broker or dealer and other clients who do not direct Advisor to use a particular broker or dealer which may result in higher trading expenses to the client who directs brokerage. LWM may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit LWM to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms which do not permit LWM to place transactions with other brokerage firms may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other Clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a Client's account, LWM may be precluded from aggregating that Client's transaction with other accounts which may result in less favorable security prices and/or higher transaction costs.

## **Item 13 Review of Accounts**

### **Investment Services Reviews**

The firm's investment adviser representatives will perform periodic reviews of client accounts they manage directly. In addition, and on a quarterly basis, LWM's CCO will conduct a review of approximately 10% of the accounts managed by LWM as a whole, so that all accounts receive this second level of review at least once per year. The underlying securities in client accounts will be reviewed on a daily basis. More frequent reviews may be triggered by changes in variables such as the market, political or economic circumstances, or changes in the client's individual circumstances. Representatives will generally host at least annually, a meeting with clients to review the client's investment objectives and financial situation to determine the suitability of investments and financial plan.

### **Regular Reports**

Clients will be provided, on at least a quarterly basis, with a statement from the client's custodian that includes a description of all activity in the Account during the preceding quarter, including all transactions made on behalf of the Account, all contributions and withdrawals made to or from the Account, all fees and expenses charged to the Account and the value of the Account at the beginning and end of the period. Clients will not receive any other regular reports from LWM. Accounts managed by third party managers will generally receive reports directly from such managers.

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

### **Incoming Client Referrals**

LWM currently does not have any solicitor relationships with qualified individuals who are paid to refer clients to the Adviser. Should this change in the future, LWM ensures that all solicitors will be licensed as required and are otherwise qualified to provide investment advice. All solicitors may only provide impersonal investment advice by recommending the Firm's services and may not comment on using LWM's services or comment on portfolio construction. The terms of all solicitor arrangements are defined by a contract between the solicitor and LWM which sets forth the term of the agreement and the form of compensation to the solicitor. If in the future, LWM utilizes the services of solicitors, the fees to the solicitor are paid out of LWM's standard management fees and the payment of solicitor fees does not increase the cost of investment management services to the client. The solicitor is required by LWM to present a disclosure to all prospects and clients which details the compensation to the solicitor and other general terms of the relationship between the solicitor and LWM. The solicitor must have the client sign this disclosure and return it to LWM prior to receiving any compensation from LWM.

### **Referrals to Third Parties**

LWM has entered into several agreements where it solicits clients and refers them to third party investment advisers. We currently engage The Pacific Financial Group (TPFG), a federally registered investment advisor for specialized management in 401(k), 403(b) and other ERISA plans. Similar to the Third-Party Manager program, LWM will introduce our clients to TPFG for third party management, however in this situation TPFG will be the Investment Advisor and will ultimately bear the fiduciary responsibility for management of the account. LWM will only refer clients to investment advisers that are registered with the Securities and Exchange Commission (SEC) or with the applicable state(s). Currently, LWM receives a split of management fees that is 0.75%. LWM is required to present a disclosure to all prospects and clients which details the compensation to LWM and other general terms of the relationship between the third party and LWM. LWM has clients and prospects sign this disclosure and return it to the third-party adviser. The agreement between LWM and the third-party adviser(s) may be terminated by either party's written notice.

## **Item 15 Custody**

LWM itself does not maintain or accept custody of client funds or securities. All accounts and the assets therein are held with the qualified custodian of record.

### **Account Statements**

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies to ensure accuracy of all account transactions.

### **Item 16 Investment Discretion**

The Adviser contracts for limited discretionary authority to transact portfolio securities accounts on behalf of clients. Discretionary authority is granted either by LWM's investment management agreement and/or by a separate limited power of attorney where such document is required. LWM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The firm's discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the Client on transactions in certain types of business or industries. All such restrictions are to be agreed upon in writing at the account's inception.

LWM also provides services to accounts where it does not have discretionary authority over the account(s). In these cases, LWM will consult with the client where discretion is not obtained prior to each trade in order to obtain client approval for the transaction(s).

The client authorizes the discretion to LWM to select the custodian to be used and the commission rates paid. LWM does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

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

LWM will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. LWM does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. LWM promptly passes along any proxy voting information to the clients or their representatives.

### **Item 18 Financial Information**

LWM does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. LWM has not been the subject of a bankruptcy petition in the last 10 years.

LWM is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## Item 20 Additional Information – Privacy Policy

Below is a summary of LWM's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client advisory agreement and may be obtained by contacting the Compliance Officer of LWM. LWM will:

1. Collect non-public personal information about its clients from the following sources:
  - Information received from clients on applications or other forms;
  - Information about clients' transactions with LWM, its affiliates and others;
  - Information received from our correspondent clearing broker with respect to client accounts;
  - Medical information submitted as part of an insurance application for a traditional life or variable life policy; and
  - Information received from service bureaus or other third parties.
  
2. LWM will not share such information with any affiliated or nonaffiliated third party except:
  - When necessary to complete a transaction in a customer account, such as with the clearing firm or account custodians;
  - When required to maintain or service a customer account;
  - To resolve customer disputes or inquiries;
  - With persons acting in a fiduciary or representative capacity on behalf of the customer;
  - With rating agencies, persons assessing compliance with industry standards, or to the attorneys, accountants and auditors of the firm;
  - In connection with a sale or merger of LWM's business;
  - To protect against or prevent actual or potential fraud, identity theft, unauthorized transactions, claims or other liability;
  - To comply with federal, state or local laws, rules and other applicable legal requirements;
  - In connection with a written agreement to provide investment management or advisory services when the information is released for the sole purpose of providing the products or services covered by the agreement;
  - In any circumstances with the customer's instruction or consent.
  
3. Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
  
4. Maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.