

**Item 1: Cover Page**  
**Part 2A of Form ADV: Firm Brochure**  
**June 2016**



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**Steven M. Fox**  
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This brochure provides information about the qualifications and business practices of Alliance Wealth Management Group, LLC ("AWMG"). If clients have any questions about the contents of this brochure, please contact us at 908-751-7093. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any State Securities Authority. Additional information about AWMG is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching CRD #169573.

Please note that the use of the term "registered investment adviser" and description of AWMG and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this Brochure and Brochure Supplements for AWMG's associates who advise clients for more information on the qualifications of AWMG and our employees.

## Item 2: Material Changes

Alliance Wealth Management Group, LLC is required to make clients aware of information that has changed since the last annual update to the Firm Brochure (“Brochure”) and that may be important to them. Clients can then determine whether to review the brochure in its entirety or to contact us with questions about the changes.

There have been no material changes since our last annual amendment filing.

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## Item 4: Advisory Business

AWMG is dedicated to providing individuals and other types of clients with a wide array of investment advisory services. AWMG is a limited liability company formed under the laws of the State of New Jersey in 2014 AWMG is wholly owned by Steven E. Linden, Thomas McCabe and [Steven M. Fox Management Group, LLC](#).

AWMG provides asset management and investment consulting services for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary it is our duty to always act in the client's best interest. This is accomplished in part by knowing the client. AWMG has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives while educating them about our process, facilitates the kind of working relationship we value.

### **Types of Advisory Services Offered**

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#### **Investment & Wealth Management Services:**

AWMG provides clients with wealth management services which may include financial planning services, as well as the discretionary management of investment portfolios. Under a wealth management engagement, AWMG primarily allocates client assets among mutual funds, exchange-traded funds and individual debt and equity securities, in accordance with their stated investment objectives.

Clients may also engage AWMG to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, AWMG directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider. Where appropriate, AWMG may also provide advice about any type of legacy position or other investment held in client portfolios.

AWMG tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. AWMG consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify AWMG if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios.

#### **Financial Planning & Consulting Services:**

AWMG offers clients a broad range of value-based financial planning and consulting services, which may include any or all of the following functions: Business Planning, Cash Flow Forecasting, Trust & Estate Planning, Insurance Planning, Retirement Planning, Charitable Giving, Distribution Planning, Tax Planning, Manager Due Diligence and/or Risk Management.

While each of these services is available on a stand-alone basis, certain services may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement.

In performing these services, AWMG is not required to verify any information received from the client or from the client's other professionals (*e.g.*, attorneys, accountants, etc.) and is expressly authorized to rely on such information. AWMG may recommend clients engage AWMG for additional related services, its Supervised Persons in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage AWMG or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by AWMG under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify AWMG of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising AWMG's recommendations and/or services.

### **Tailoring of Advisory Services**

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AWMG offers individualized investment advice to our Investment & Wealth Management clients. General investment advice will be offered to our Financial Planning & Consulting clients. Each Investment & Wealth Management client has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

### **Participation in Wrap Fee Programs**

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AWMG does not offer or sponsor a wrap fee program.

### **Regulatory Assets Under Management**

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As of December 31, 2015, AWMG manages \$213,300,000 on a discretionary basis.

## **Item 5: Fees & Compensation**

### **Compensation for Advisory Services**

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#### **Investment & Wealth Management:**

The maximum annual fee charged for this service will not exceed 1.95%. Fees to be assessed will be outlined in the advisory agreement to be signed by the client. Annualized fees are billed on a pro-rata basis quarterly in advance based on the value of the account(s) on the last day of the previous quarter. Fees are negotiable and will be deducted from client account(s). Adjustments will be made for deposits and withdrawals during the quarter. In rare cases, AWMG will agree to direct bill clients. As part of this process, Clients understand the following:

- a) The client's independent custodian sends statements at least quarterly showing the market values for each security included in the Assets and all account disbursements, including the amount of the advisory fees paid to AWMG;
- b) Clients will provide authorization permitting AWMG to be directly paid by these terms. AWMG will send an invoice directly to the custodian; and
- c) If AWMG sends a copy of our invoice to the client, legend urging the comparison of information provided in our statement with those from the qualified custodian will be included.

### **Financial Planning & Consulting:**

AWMG may provide stand-alone financial planning and/or consulting services for a fixed and/or hourly fee. Fees are negotiable, but generally range from \$3,500 to \$15,000 on a fixed fee basis and/or from \$300 to \$750 on an hourly basis, depending upon the scope and complexity of the engagement and the professional rendering the financial planning and/or the consulting services. If the client engages AWMG for additional investment advisory services, AWMG may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement to be signed by the client. AWMG generally requires 1/2 of the estimated fee payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. AWMG will not require prepayment of fees exceeding \$1,200 when services cannot be rendered within 6 months.

### **Other Types of Fees & Expenses**

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Clients will incur transaction charges for trades executed in their accounts. These transaction fees are separate from AWMG's advisory fees and will be disclosed by the chosen custodian. Clients may also pay charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees, initial or deferred sales charges, mutual fund sales loads, 12b-1 fees, surrender charges, variable annuity fees, IRA and qualified retirement plan fees, and other fund expenses). AWMG does not receive a portion of these fees.

### **Termination & Refunds**

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Either party may terminate the advisory agreement signed for Investment & Wealth Management services in writing at any time. Upon notice of termination AWMG will process a pro-rata refund of the unearned portion of the advisory fees charged in advance at the beginning of the quarter.

Financial Planning & Consulting clients may terminate their agreement at any time before the delivery of a financial plan by providing written notice. For purposes of calculating refunds, all work performed by AWMG up to the point of termination shall be calculated at the hourly fee currently in effect. Clients will receive a pro-rata refund of unearned fees based on the time and effort expended by AWMG.

### **Commissionable Securities Sales**

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Representatives of AWMG are registered representatives of Purshe Kaplan Sterling Investments, Inc ("PKS"), member FINRA/SIPC. As such they are able to accept compensation for the sale of securities

or other investment products, including distribution or service (“trail”) fees from the sale of mutual funds. Clients should be aware that the practice of accepting commissions for the sale of securities presents a conflict of interest and gives AWMG and/or its representatives an incentive to recommend investment products based on the compensation received. AWMG generally addresses commissionable sales conflicts that arise when explaining to clients these sales create an incentive to recommend based on the compensation to be earned and/or when recommending commissionable mutual funds, explaining that “no-load” funds are also available. AWMG does not prohibit clients from purchasing recommended investment products through other unaffiliated brokers or agents.

### **Item 6: Performance-Based Fees & Side-By-Side Management**

AWMG does not charge performance-based fees.

### **Item 7: Types of Clients & Account Requirements**

AWMG has the following types of clients:

- Individuals and High Net Worth Individuals;
- Trusts, Estates or Charitable Organizations;
- Pension and Profit Sharing Plans;
- Corporations, Limited Liability Companies and/or Other Business Types

AWMG does not impose requirements for opening and/or maintaining accounts or otherwise engaging AWMG.

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

AWMG utilizes a largely fundamental method of analysis while employing an asset allocation strategy based on a derivative of Modern Portfolio Theory.

Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For AWMG, this process typically involves an analysis of an issuer’s management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of AWMG’s model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Modern Portfolio Theory (“MPT”) is a mathematical based investment discipline that seeks to quantify expected portfolio returns in relation to corresponding portfolio risk. The basic premise of MPT is that the risk of a particular holding is to be assessed by comparing its price variations against those of the market portfolio. However, MPT disregards certain investment considerations and is based on a series of assumptions that may not necessarily reflect actual market conditions. As such,

the factors for which MPT does not account (*e.g.*, tax implications, regulatory constraints and brokerage costs) may negate the upside or add to the actual risk of a particular allocation. Nevertheless, AWMG's investment process is structured in such a way to integrate those assumptions and real life considerations for which MPT analytics do not account.

## **Risk of Loss**

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Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and the account(s) could enjoy a gain, it is also possible that the stock market may decrease and the account(s) could suffer a loss. It is important that clients understand the risks associated with investing in the stock market, are appropriately diversified in investments, and ask any questions.

**Market Risk:** Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of AWMG's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that AWMG will be able to predict those price movements accurately or capitalize on any such assumptions.

**Mutual Funds & ETFs:** An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV") plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, am discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to the evaluation of AWMG's advisory business or the integrity of AWMG's management.

## Item 10: Other Financial Industry Activities & Affiliations

Representatives of AWMG are registered representatives of PKS, member FINRA/SIPC, and licensed insurance agents. As a result of these transactions, they receive normal and customary commissions. A conflict of interest exists as these commissionable securities sales create an incentive to recommend products based on the compensation earned. To mitigate this potential conflict, AWMG will act in the client's best interest.

Mr. Linden is a Partner and Certified Public Accountant ("CPA") with an accounting firm under common ownership with Alliance Accounting Group ("AAG"). AWMG does not render accounting services to clients. AWMG may recommend that certain advisory clients engage AAG to render various accounting and tax preparation services. While AWMG does not receive a fee for said referrals, Mr. Linden is generally entitled to receive distributions relative to his ownership stake in AAG. A conflict of interest exists to the extent that AWMG recommends the services of AAG where Mr. Linden receives compensation as a result. AWMG seeks to ensure that all such recommendations are made in its client's best interests.

## Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. AWMG's fiduciary duty is the underlying principle for AWMG's Code of Ethics, which includes procedures for personal securities transaction and insider trading. AWMG requires all representatives to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment with AWMG, and at least annually thereafter, all representatives of AWMG will acknowledge receipt, understanding and compliance with AWMG's Code of Ethics. AWMG and representatives must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. If a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

AWMG recognizes that the personal investment transactions of our representatives demands the application of a Code of Ethics with high standards and requires that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, AWMG also believes that if investment goals are similar for clients and for our representatives, it is logical, and even desirable, that there be common ownership of some securities.

In order to prevent conflicts of interest, AWMG has established procedures for transactions effected by our representatives for their personal accounts<sup>1</sup>. In order to monitor compliance with our personal trading policy, AWMG has pre-clearance requirements and a quarterly securities transaction reporting system for all of our representatives.

<sup>1</sup> For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

Neither AWMG nor a related person recommends, buys or sells for client accounts, securities in which AWMG or a related person has a material financial interest without prior disclosure to the client.

Related persons of AWMG may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to AWMG's Code of Ethics, a copy of which is available upon request.

Likewise, related persons of AWMG buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to AWMG's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities prior to buying or selling for our clients in the same day. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

## Item 12: Brokerage Practices

### Selecting a Brokerage Firm

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AWMG does not maintain custody of client assets. Client assets must be maintained by a qualified custodian. AWMG seeks to recommend a custodian who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. The factors considered, among others, are these:

- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, AWMG has an arrangement with Charles Schwab & Co., Inc. ("Schwab") and TD Ameritrade, Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA ("TD Ameritrade") (collectively "Recommended Custodians"), qualified custodians from whom AWMG is independently owned and operated. The Recommended Custodians offer services to independent investment advisers which includes custody of securities, trade execution, clearance and settlement of transactions. The Recommended Custodians enable AWMG to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The Recommended Custodians do not charge client accounts separately for custodial services. Client accounts will be charged transaction fees, commissions or other fees on trades that are executed or settle into the client's custodial account. Transaction fees are negotiated with the Recommended Custodians

and are generally discounted from customary retail commission rates. This benefits clients because the overall fee paid is often lower than would be otherwise.

The Recommended Custodians may make certain research and brokerage services available at no additional cost to AWMG. Research products and services provided by the Recommended Custodians may include: research reports on recommendations or other information about particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by the Recommended Custodians to AWMG in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934.

The Recommended Custodians do not make client brokerage commissions generated by client transactions available for AWMG's use. The aforementioned research and brokerage services are used by AWMG to manage accounts for which AWMG has investment discretion. Without this arrangement, AWMG might be compelled to purchase the same or similar services at our own expense.

As part of our fiduciary duty to our clients, AWMG will endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by AWMG or our related persons creates a potential conflict of interest and may indirectly influence AWMG's choice of Recommended Custodians as a custodial recommendation. AWMG examined this potential conflict of interest when AWMG chose to recommend the Recommended Custodians and have determined that the recommendation is in the best interest of AWMG's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Our clients may pay a transaction fee or commission to the Recommended Custodians that is higher than another qualified broker dealer might charge to effect the same transaction where AWMG determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services provided to the client as a whole.

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. Although AWMG will seek competitive rates, to the benefit of all clients, AWMG may not necessarily obtain the lowest possible commission rates for specific client account transactions.

### **Soft Dollars**

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AWMG does not receive soft dollars in excess of what is allowed by Section 28(e) of the Securities Exchange Act of 1934. The safe harbor research products and services obtained by AWMG will generally be used to service all of our clients but not necessarily all at any one particular time.

### **Client Brokerage Commissions**

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The Recommended Custodians do not make client brokerage commissions generated by client transactions available for AWMG's use.

## **Client Transactions in Return for Soft Dollars**

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AWMG does not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

## **Brokerage for Client Referrals**

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AWMG does not receive brokerage for client referrals.

## **Directed Brokerage**

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The client may direct AWMG in writing to use a particular Financial Institution to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that Financial Institution and AWMG will not seek better execution services or prices from other Financial Institutions or be able to “batch” client transactions for execution through other Financial Institutions with orders for other accounts managed by AWMG. As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, AWMG may decline a client’s request to direct brokerage if, in AWMG’s sole discretion, such directed brokerage arrangement would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

## **Special Considerations for ERISA Clients**

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, AWMG will request that plan sponsors who direct plan brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

## **Aggregation of Purchase or Sale**

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Transactions for each client generally will be effected independently, unless AWMG decides to purchase or sell the same securities for several clients at approximately the same time. AWMG may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among AWMG’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among AWMG’s clients pro-rata to the purchase and sale orders placed for each client on any given day. To the extent that AWMG determines to aggregate client orders for the purchase or sale of securities, including securities in which AWMG’s Supervised Persons may invest, AWMG generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. AWMG does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that AWMG determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, AWMG may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Item 13: Review of Accounts or Financial Plans**

Our management personnel or financial advisors review accounts on at least a quarterly basis for our Investment & Wealth Management clients. The nature of these reviews is to learn whether client accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable. AWMG does not provide written reports to clients, unless asked to do so. Verbal reports to clients take place on at least an annual basis when our Investment & Wealth Management clients are contacted.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from AWMG and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from AWMG or an outside service provider.

AWMG may review client accounts more frequently than described above. Among the factors which may trigger an off-cycle review are major market or economic events, the client's life events, requests by the client, etc.

Financial Planning clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us. AWMG does not provide ongoing services to financial planning clients, but are willing to meet with such clients upon their request to discuss updates to their plans, changes in their circumstances, etc. Financial Planning clients do not receive written or verbal updated reports regarding their financial plans unless they separately engage AWMG for a post-financial plan meeting or update to their initial written financial plan.

## Item 14: Client Referrals & Other Compensation

### Charles Schwab & Co., Inc.

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We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### TD Ameritrade, Inc.

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As disclosed under Item 12 of this Brochure, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between AWMG's participation in the program and the investment advice we give to our Clients, although we receive economic benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving AWMG's 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 us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by AWMG's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit AWMG but may not benefit our Client accounts. These products or services may assist us in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by AWMG or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to our clients, we endeavor at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by AWMG or our related persons in and of itself creates a potential conflict of interest and may indirectly influence AWMG's choice of TD Ameritrade for custody and brokerage services.

### Referral Fees

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AWMG pays referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to AWMG in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940. Such referral fee represents a share of our investment advisory fee charged to our clients. This arrangement will not result in higher costs to the referred client. In this regard, AWMG maintains Solicitors Agreements in compliance with Rule 206 (4)-3 of the Investment Advisers Act of 1940 and applicable state and federal laws. All clients referred by Solicitors to AWMG

will be given full written disclosure describing the terms and fee arrangements between AWMG and Solicitor(s). In cases where state law requires licensure of solicitors, AWMG ensures that no solicitation fees are paid unless the solicitor is registered as an investment adviser representative of AWMG. If AWMG is paying solicitation fees to another registered investment adviser, the licensure of individuals is the other firm's responsibility.

### **Item 15: Custody**

AWMG does not have custody of client funds or securities. All of our clients receive account statements directly from their qualified custodians at least quarterly upon opening of an account. If AWMG decides to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from AWMG. Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

### **Item 16: Investment Discretion**

Clients have the option of providing AWMG with investment discretion on their behalf, pursuant to an executed investment advisory client agreement. By granting investment discretion, AWMG is authorized to execute securities transactions, determine which securities are bought and sold, and the total amount to be bought and sold. Limitations may be imposed by the client in the form of specific constraints on any of these areas of discretion with AWMG's written acknowledgement.

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

AWMG does not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to AWMG, AWMG will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

### **Item 18: Financial Information**

AWMG is not required to provide financial information in this Brochure because:

- AWMG does not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- AWMG does not take custody of client funds or securities.
- AWMG does not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.

AWMG has never been the subject of a bankruptcy proceeding.