

# PWM Advisory Group, LLC

## Brochure

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Contact: Carmine D'Avino, Chief Compliance Officer  
47 Reckless Place  
Red Bank, New Jersey 07701  
[www.pwm-nj.com](http://www.pwm-nj.com)

**This Brochure provides information about the qualifications and business practices of PWM Advisory Group, LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 652-3235 or [cdavino@pwm-nj.com](mailto:cdavino@pwm-nj.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 PWM Advisory Group, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to PWM Advisory Group, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes made to PWM Advisory Group’s disclosure statement since last year’s Annual Amendment filing on March 21, 2015.

**ANY QUESTIONS: PWM Advisory Group’s Chief Compliance Officer, Carmine D’Avino, remains available to address any questions that an existing or prospective client may have regarding this Brochure.**

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

- A. PWM Advisory Group, LLC (“PWM Advisory Group”) is a limited liability company formed on May 23, 2011 in the State of New Jersey. PWM become an SEC registered investment advisor firm on August 12, 2011. PWM Advisory Group is principally owned by Pinnacle Capital Management, LLC. James F. Ferrare is PWM Advisory Group’s Managing Member.
  
- B. As discussed below, PWM Advisory Group offers to its clients (individuals, investment companies, investment limited partnerships, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services. PWM Advisory Group **does not** hold itself out as providing financial planning, estate planning or accounting services.

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage PWM Advisory Group to provide discretionary investment advisory services on a *fee-only* basis. PWM Advisory Group’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under PWM Advisory Group’s management, generally between negotiable and 1.00%.

#### **RETIREMENT CONSULTING**

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

#### **MISCELLANEOUS**

**Limited Consulting/Implementation Services.** Although PWM Advisory Group does not hold itself out as providing financial planning, estate planning or accounting services, PWM Advisory Group *may* provide limited consultation services to its investment management clients on investment and non-investment related matters, such as cash flow projections, estate planning, tax planning, insurance, etc. PWM Advisory Group **does not** serve as an attorney, accountant, or insurance agency, and no portion of its services should be construed as legal, accounting, or insurance brokerage services. Accordingly, PWM Advisory Group **does not** prepare estate planning documents, tax returns or sell insurance products. To the extent requested by a client, PWM Advisory Group may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc). The client is under no obligation to engage the services of any such recommended professional. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the

engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify PWM Advisory Group if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising PWM Advisory Group's previous recommendations and/or services

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

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

**Please Also Note: Valuation.** In the event that PWM Advisory Group references private investment funds owned by the client on any supplemental account reports prepared by PWM Advisory Group, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by the fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be **significantly more or less** than the original purchase price.

**Please Also Note:** Because PWM Advisory Group's Member, Pinnacle Associates, *may* receive compensation from the *Partnerships* that may exceed the compensation that it is entitled to receive as a result of distributions attributable to its ownership interest in PWM Advisory Group, the recommendation that a client become a *Partnerships* investor presents a **conflict of interest**. No client is under any obligation to become a *Partnerships* investor. **PWM Advisory Group's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions regarding this conflict of interest.**

**Sub-Advisory Arrangements.** PWM Advisory Group may engage sub-advisors for the purpose of assisting PWM Advisory Group with the management of its client accounts. The sub-advisor(s) shall have discretionary authority for the day-to-day management of the assets that are allocated to it by PWM Advisory Group. The sub-advisor shall

continue in such capacity until such arrangement is terminated or modified by PWM Advisory Group. PWM Advisory Group shall pay a portion of the investment advisory fee received for these allocated assets to the sub-advisor for its sub-advisory services. Specifically, PWM Advisory Group has a sub-advisory agreement with one of its Members, Pinnacle Associates Ltd. (*See* Item 10.C below.). PWM Advisory Group's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions concerning PWM Advisory Group's sub-advisory arrangements.

**Retirement Plan Rollovers-No Obligation/Conflict of Interest.** A client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in his/her former employer's plan, if permitted, (ii) roll over the assets to his/her new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). PWM Advisory Group may recommend an investor roll over plan assets to an IRA managed by PWM Advisory Group. As a result PWM Advisory Group and its representatives may earn an asset-based fee (see **Please Note** below). In contrast, a recommendation that a client or prospective client leave his/her plan assets with his/her former employer or roll the assets to a plan sponsored by a new employer will generally result in no compensation to PWM Advisory Group (unless the client engages PWM Advisory Group to monitor and/or manage the account while maintained at the client's employer). PWM Advisory Group has an economic incentive to encourage a client to roll plan assets into an IRA that PWM Advisory Group will manage **or** to engage PWM Advisory Group to monitor and/or manage the account while maintained at the client's employer. There are various factors that PWM Advisory Group may consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus PWM Advisory Group's, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. **No client is under any obligation to roll over plan assets to an IRA managed by PWM Advisory Group or to engage PWM Advisory Group to monitor and/or manage the account while maintained at the client's employer.** **Please Note:** If PWM Advisory Group's engagement will include the management of the client's retirement account per the same fee schedule set forth in Item 5 below, regardless of custodian or the client's decision to process a rollover, the above economic incentive to recommend a rollover is generally not present. **PWM Advisory Group's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

**Administrative Support.** PWM Advisory Group has entered into a contractual relationship with Pinnacle Associates Ltd. to assist PWM Advisory Group with administrative support services.

**Please Note: Cash Positions.** At any specific point in time, depending upon perceived or anticipated market conditions/events (there being **no guarantee** that such anticipated market conditions/events will occur), PWM Advisory Group *may* maintain cash positions for defensive or other purposes. All cash positions (money markets, etc.) shall be

included as part of assets under management for purposes of calculating PWM Advisory Group's advisory fee.

**Use of Dimensional Fund Advisors Mutual Funds:** While PWM Advisory Group may recommend allocating investment assets to mutual funds that are not available directly to the public, PWM Advisory Group may also recommend that clients allocate investment assets to publically-available mutual funds that the client could obtain without engaging PWM Advisory Group as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publically-available mutual funds without engaging PWM Advisory Group as an investment adviser, the client or prospective client would not receive the benefit of PWM Advisory Group's initial and ongoing investment advisory services. Others mutual funds, such as those issued by Dimensional Fund Advisors ("DFA"), are generally only available through registered investment advisers. PWM Advisory Group may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of PWM Advisory Group's services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply. **PWM Advisory Group's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding the above.**

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

**Disclosure Statement.** A copy of PWM Advisory Group's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

- C. PWM Advisory Group shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, PWM Advisory Group shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on PWM Advisory Group's services.
- D. PWM Advisory Group does not participate in a wrap fee program.
- E. As of December 31, 2015, PWM Advisory Group had \$255,440,000 in assets under management on a discretionary basis.

## Item 5 Fees and Compensation

A.

### INVESTMENT ADVISORY SERVICES

If a client determines to engage PWM Advisory Group to provide discretionary investment advisory services on a *fee-only* basis, PWM Advisory Group's annual investment advisory fee shall be based upon a percentage (%) of the market value and type of assets placed under PWM Advisory Group's management (between negotiable and 1.00%) as follows:

<u>Assets Under Management</u>	<u>Range of Fees (Annual)</u>
Initial \$5 Million	1.00%
Next \$10 Million	0.75%
Next \$20 Million	0.50%
All additional assets	0.25%

- B. Clients may elect to have PWM Advisory Group's advisory fees deducted from their custodial account. Both PWM Advisory Group's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of PWM Advisory Group's investment advisory fee and to directly remit that management fee to PWM Advisory Group in compliance with regulatory procedures. In the limited event that PWM Advisory Group bills the client directly, payment is due upon receipt of PWM Advisory Group's invoice. PWM Advisory Group shall deduct fees and/or bill clients quarterly in advance or arrears, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, PWM Advisory Group shall generally recommend that Charles Schwab and Co., Inc. ("*Schwab*"), Fidelity Investments ("*Fidelity*") and/or TD Ameritrade serve as the broker-dealer/custodian for client investment management assets. PWM Advisory Group participates in the institutional advisor program (the "*Program*") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("*Ameritrade*"), an unaffiliated SEC-registered broker-dealer and FINRA member. Broker-dealers such as *Schwab*, *Fidelity* and *Ameritrade* charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to PWM Advisory Group's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses. When beneficial to the client, individual fixed-income and/or equity transactions may be effected through broker-dealers with whom PWM Advisory Group and/or the client have entered into arrangements for prime brokerage clearing services, including effecting certain client transactions through other SEC registered and FINRA member broker-dealers (in which event, the client generally will incur both the transaction fee charged by the executing broker-dealer and a "tradeaway" fee charged by *Schwab*, *Fidelity* and/or *Ameritrade*).
- D. PWM Advisory Group's annual investment advisory fee shall be prorated and paid quarterly, in advance or arrears, as the case may be, based upon the market value of the assets on the last business day of the previous quarter. The *Investment Advisory*

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

- E. Neither PWM Advisory Group, nor its representatives accept compensation from the sale of securities or other investment products.

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

Neither PWM Advisory Group nor any supervised person of PWM Advisory Group accepts performance-based fees.

## **Item 7 Types of Clients**

PWM Advisory Group's clients shall generally include individuals, investment companies, investment limited partnerships, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. PWM Advisory Group generally requires a \$1,000,000 minimum asset level for investment advisory services. PWM Advisory Group, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. PWM Advisory Group may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
  - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
  - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

PWM Advisory Group may utilize the following investment strategies when implementing investment advice given to clients:

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



**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by PWM Advisory Group) will be profitable or equal any specific performance level(s). **Please Also Note:** Investing in securities involves risk of loss that clients should be prepared to bear.

- B. PWM Advisory Group's methods of analysis and investment strategies do not present any significant or unusual risks.

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

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

In addition to the fundamental investment strategies discussed above, PWM Advisory Group may also implement and/or recommend options transactions, a strategy that has a high level of inherent risk. (*See* discussion below).

The use of options transactions as an investment strategy involves a high level of inherent risk. Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, when using options, PWM Advisory Group is engaging in covered calls.

**Covered Call Writing.** Covered call writing is the sale of in-, at-, or out-of- the money call option against a long security position held in a client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. This strategy may involve a degree of trading

velocity, transaction costs and significant losses if the underlying security has volatile price movement. Covered call strategies are generally suited for companies with little price volatility. In light of these enhanced risks, client may direct PWM Advisory Group, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, PWM Advisory Group primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds (“ETFs”) on a discretionary basis in accordance with the client’s designated investment objective(s).

## **Item 9           Disciplinary Information**

PWM Advisory Group has not been the subject of any disciplinary actions.

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

- A. Neither PWM Advisory Group, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither PWM Advisory Group, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Accounting Firm.** PWM Advisory Group does not render accounting advice or tax preparation services to its clients. Rather, to the extent that a client requires accounting advice and/or tax preparation services, PWM Advisory Group may recommend the services of a Certified Public Accountant, all of which services shall be rendered independent of PWM Advisory Group pursuant to a separate agreement between the client and the Certified Public Accountant. PWM Advisory Group shall not receive any of the fees charged by any recommended Certified Public Accountant, referral or otherwise. Specifically, one of PWM Advisory Group’s Members, WS + B Financial Services Group, LLC (“WS + B”), is owned by WithumSmith + Brown, P.C. a certified public accounting firm (“WS+B, CPA”). Specifically, to the extent that WS+B, CPA provides accounting and/or tax preparation services to any clients, including clients of PWM Advisory Group, all such services shall be performed by WS+B, CPA, in its separate professional capacity, independent of PWM Advisory Group, for which services PWM Advisory Group shall not receive any portion of the fees charged by WS+B, CPA, referral or otherwise. It is expected that the members of WS+B, CPA, solely incidental to their respective practices as Certified Public Accountants with WS+B, CPA, shall recommend PWM Advisory Group’s services to certain of WS+B, CPA’s clients. WS+B, CPA is not involved in providing investment advice on behalf of PWM Advisory Group, nor does WS+B, CPA hold itself out as providing investment advisory services on behalf of PWM Advisory Group. The recommendation by PWM Advisory Group that a client use the services of WS+B, CPA’s presents a ***conflict of interest***. No client of PWM Advisory Group is required to use the services of WS+B, CPA.

**Other Investment Advisers.** WS + B and/or WS+B, CPA provide financial planning and/or consulting services (including investment and non-investment related matters,

including estate planning, insurance planning, etc.). If PWM Advisory Group's clients require and/or request the above financial planning and/or consulting services, PWM Advisory Group may recommend the services of WS + B, and/or *WS+B, CPA* thereby creating a **conflict of interest**. Because WS + B is a Member of PWM Advisory Group, PWM Advisory Group may have an incentive to recommend WS + B's and/or *WS+B, CPA*'s services to PWM Advisory Group's clients. No client of PWM Advisory Group is under any obligation to engage WS + B and/or *WS+B, CPA* for such financial planning services. **Please Note:** In the event that a client of PWM Advisory Group engages the services of WS + B and/or *WS+B, CPA* to provide financial planning and/or consulting services, all such services shall be provided by WS + B and/or *WS+B, CPA*, independent of PWM Advisory Group, for which PWM Advisory Group will not receive any portion of the fee for such services, referral or otherwise. **Please Also Note:** PWM Advisory Group has entered into a separate written agreement with WS + B, whereby WS + B may receive compensation that is above and beyond the compensation WS + B may receive as a result of its ownership interest in PWM Advisory Group, as a result of client referrals to PWM Advisory Group.

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

- D. PWM Advisory Group does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

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

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

- B. Neither PWM Advisory Group nor any related person of PWM Advisory Group recommends, buys, or sells for client accounts, securities in which PWM Advisory Group or any related person of PWM Advisory Group has a material financial interest.
- C. PWM Advisory Group and/or representatives of PWM Advisory Group *may* buy or sell securities that are also recommended to clients. This practice may create a situation where PWM Advisory Group and/or representatives of PWM Advisory Group are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if PWM Advisory Group did not

have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of PWM Advisory Group’s clients) and other potentially abusive practices.

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

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

## **Item 12 Brokerage Practices**

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

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

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

1. TD Ameritrade Institutional Customer Program

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

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

**PWM Advisory Group's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have**

**regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

**Research and Additional Benefits**

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, PWM Advisory Group may receive from *Schwab, Fidelity* and/or *Ameritrade* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist PWM Advisory Group to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by PWM Advisory Group may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by PWM Advisory Group in furtherance of its investment advisory business operations.

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

PWM Advisory Group's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab, Fidelity* and/or *Ameritrade* as a result of this arrangement. There is no corresponding commitment made by PWM Advisory Group to *Schwab, Fidelity* and/or *Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**PWM Advisory Group's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

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

**Please Note:** In the event that the client directs PWM Advisory Group to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise

incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through PWM Advisory Group.

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

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

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

- A. For those clients to whom PWM Advisory Group provides investment supervisory services, account reviews are conducted on an ongoing basis by PWM Advisory Group's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise PWM Advisory Group of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with PWM Advisory Group on an annual basis.
- B. PWM Advisory Group may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. PWM Advisory Group may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, PWM Advisory Group may receive an indirect economic benefit from *Schwab*, *Fidelity* and/or *Ameritrade*. PWM Advisory Group, without cost (and/or at a discount), may receive support services and/or products from *Schwab*, *Fidelity* and/or *Ameritrade*.

PWM Advisory Group's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab*, *Fidelity* and/or *Ameritrade* as a result of this arrangement. There is no corresponding commitment made by PWM Advisory Group to

*Schwab, Fidelity and/or Ameritrade* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

- B. If a client is introduced to PWM Advisory Group by either an unaffiliated or an affiliated solicitor, PWM Advisory Group *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from PWM Advisory Group's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to PWM Advisory Group by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of PWM Advisory Group's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between PWM Advisory Group and the solicitor, including the compensation to be received by the solicitor from PWM Advisory Group.

## **Item 15           Custody**

PWM Advisory Group shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. PWM Advisory Group may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that PWM Advisory Group provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by PWM Advisory Group with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of PWM Advisory Group's advisory fee calculation.

## **Item 16           Investment Discretion**

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

Clients who engage PWM Advisory Group on a discretionary basis may, at anytime, impose restrictions, **in writing**, on PWM Advisory Group's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe PWM Advisory Group's use of margin, etc.).



## **Item 17      Voting Client Securities**

PWM Advisory Group utilizes the services of two (2) outside proxy firms, Proxy Edge and ISS Proxy, for domestic and international proxies, respectively. In addition, PWM Advisory Group may utilize a third-party service to assist it in voting client proxies. Unless the client directs otherwise in writing, PWM Advisory Group is responsible for voting client proxies (**However**, the client shall maintain exclusive responsibility for all legal proceedings or other type events pertaining to the account assets, including, but not limited to, class action lawsuits.). PWM Advisory Group shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. PWM Advisory Group shall monitor corporate actions of individual issuers and investment companies consistent with PWM Advisory Group's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which PWM Advisory Group will consider when determining how it will vote differ on a case by case basis, they may, but are not be limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, PWM Advisory Group may be solicited to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), PWM Advisory Group may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. PWM Advisory Group shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2(c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how PWM Advisory Group voted on any specific proxy issue is also available upon written request. Requests should be made by contacting PWM Advisory Group's Chief Compliance Officer, Carmine D'Avino.

## **Item 18      Financial Information**

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

**ANY QUESTIONS: PWM Advisory Group's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**

## Item 1 Cover Page

A.

**James F. Ferrare**

PWM Advisory Group, LLC

Brochure Supplement

Dated: March 10, 2016

Contact: Carmine D'Avino, Chief Compliance Officer  
47 Reckless Place  
Red Bank, New Jersey 07701

B.

**This Brochure Supplement provides information about James F. Ferrare that supplements the PWM Advisory Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Carmine D'Avino, Chief Compliance Officer, if you did *not* receive PWM Advisory Group, LLC's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about James F. Ferrare is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2 Education Background and Business Experience

James F. Ferrare was born in 1960. Mr. Ferrare graduated from Buffalo University with a Bachelor of Science degree in Accounting. Mr. Ferrare has been the Managing Member of PWM Advisory Group, LLC since September of 2011. Mr. Ferrare has also been employed with Pinnacle Associates Ltd. since February of 1999 and is currently an Executive Vice President and Senior Portfolio Manager.

Mr. Ferrare has held the designation of Certified Public Accountant ("CPA") since 1986. CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation,

management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or have created their own.

Mr. Ferrare has been a CFA<sup>®</sup> Charter Holder since 2009. CFA<sup>®</sup> designates an international professional certificate that is offered by the CFA Institute.

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charter holders working in 134 countries. To earn the CFA charter, candidates must: (1) pass three sequential, six-hour examinations; (2) have at least four years of qualified professional investment experience; (3) join CFA Institute as members; and (4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

### **Item 3 Disciplinary Information**

None.

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

- A. **Other Investment Adviser Firm.** Mr. Ferrare, also serves as an investment adviser representative of Pinnacle Associates, Ltd. (“*Pinnacle Associates*”), an SEC registered investment advisor firm. Mr. Ferrare may refer certain clients to *Pinnacle Associates* for advisory services. The recommendation by Mr. Ferrare that a client engage *Pinnacle Associates* for investment advisory services presents a **conflict of interest** as Mr. Ferrare may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of *Pinnacle Associates*. **The Registrant’s Chief Compliance Officer, Carmine D’Avino, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant’s policies and procedures manual. The primary purpose of the Registrant’s Rule 206(4)-7 policies and procedures is to comply with the supervision requirements of Section 203(e)(6) of the Investment Adviser’s Act (“*Act*”). The Registrant’s Chief Compliance Officer, Carmine D’Avino, is primarily responsible for the implementation of the Registrant’s policies and procedures and overseeing the activities of the Registrant’s supervised persons. Should an employee, independent contractor, investment adviser representative, or solicitor of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant’s supervision or compliance practices, please contact Mr. D’Avino at 732-450-0147.

**Item 1 Cover Page**

A.

**Carmine D'Avino**

PWM Advisory Group, LLC

Brochure Supplement

Dated: March 10, 2016

Contact: Carmine D'Avino, Chief Compliance Officer  
47 Reckless Place  
Red Bank, New Jersey 07701

B.

**This Brochure Supplement provides information about Carmine D'Avino that supplements the PWM Advisory Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Carmine D'Avino, Chief Compliance Officer, if you did *not* receive PWM Advisory Group, LLC's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Carmine D'Avino is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 Education Background and Business Experience**

Carmine D'Avino was born in 1972. Mr. D'Avino graduated from Susquehanna University in 1994, with a Bachelor of Science degree in Finance. Mr. D'Avino has been the Chief Compliance Officer and an investment adviser representative of PWM Advisory Group, LLC since September of 2011. Mr. D'Avino has also been employed with Pinnacle Associates Ltd. since March of 2000 and is currently a Vice President and Portfolio Manager.

Mr. D'Avino has been a CERTIFIED FINANCIAL PLANNER™ since 2002. The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### Item 3 Disciplinary Information

None.

### Item 4 Other Business Activities

- A. **Other Investment Adviser Firm.** Mr. D’Avino, also serves as an investment adviser representative of Pinnacle Associates, Ltd. (“*Pinnacle Associates*”), an SEC registered investment advisor firm. Mr. D’Avino may refer certain clients to *Pinnacle Associates* for advisory services. The recommendation by Mr. D’Avino that a client engage *Pinnacle Associates* for investment advisory services presents a **conflict of interest** as Mr. D’Avino may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of *Pinnacle Associates*. **The Registrant’s Chief Compliance Officer, Carmine D’Avino, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### Item 5 Additional Compensation

None.

### Item 6 Supervision

The Registrant provides investment advisory and supervisory services in accordance with the Registrant’s policies and procedures manual. The primary purpose of the Registrant’s Rule 206(4)-7 policies and procedures is to comply with the supervision requirements of Section 203(e)(6) of the Investment Adviser’s Act (“*Act*”). The Registrant’s Chief Compliance Officer, Carmine D’Avino, is primarily responsible for the implementation of the Registrant’s policies and procedures and overseeing the activities of the Registrant’s supervised persons. Should an employee, independent contractor, investment adviser representative, or solicitor of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant’s supervision or compliance practices, please contact Mr. D’Avino at 732-450-0147.

**Item 1 Cover Page**

A.

**Ryan Ashley Fause**

PWM Advisory Group, LLC

Brochure Supplement

Dated: March 10, 2016

Contact: Carmine D'Avino, Chief Compliance Officer  
47 Reckless Place  
Red Bank, New Jersey 07701

B.

**This Brochure Supplement provides information about Ryan Ashley Fause that supplements the PWM Advisory Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Carmine D'Avino, Chief Compliance Officer, if you did *not* receive PWM Advisory Group, LLC's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Ryan Ashley Fause is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 Education Background and Business Experience**

Ryan Ashley Fause was born in 1972. Mr. Fause earned his Bachelor of Science degree in Business Administration, in 1995 from Rowan University. Mr. Fause also attended The City University of New York, Baruch College, Zicklin School of Business and received a Masters of Finance degree. Mr. Fause has been an investment adviser representative of PWM Advisory Group, LLC since September of 2011. Mr. Fause has also been employed with Pinnacle Associates Ltd. since January of 2002 and is currently a Vice President and Portfolio Manager. From August of 2003 to February of 2008, Mr. Fause was sales representative of Matrix Capital Wealth, Inc.

**Item 3 Disciplinary Information**

None.



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

- A. **Other Investment Adviser Firm.** Mr. Fause, also serves as an investment adviser representative of Pinnacle Associates, Ltd. ("*Pinnacle Associates*"), an SEC registered investment advisor firm. Mr. Fause may refer certain clients to Pinnacle Associates for advisory services. The recommendation by Mr. Fause that a client engage *Pinnacle Associates* for investment advisory services presents a **conflict of interest** as Mr. Fause may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of *Pinnacle Associates*. **The Registrant's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

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

None.

#### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the supervision requirements of Section 203(e)(6) of the Investment Adviser's Act ("*Act*"). The Registrant's Chief Compliance Officer, Carmine D'Avino, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee, independent contractor, investment adviser representative, or solicitor of the Registrant have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. D'Avino at 732-450-0147.

**Item 1 Cover Page**

A.

**Monica Judith Jalife**

PWM Advisory Group, LLC

Brochure Supplement

Dated: March 10, 2016

Contact: Carmine D'Avino, Chief Compliance Officer  
335 Madison Avenue  
New York, New York 10017

B.

**This Brochure Supplement provides information about Monica Judith Jalife that supplements the PWM Advisory Group, LLC Brochure. You should have received a copy of that Brochure. Please contact Carmine D'Avino, Chief Compliance Officer, if you did not receive PWM Advisory Group, LLC's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Monica Judith Jalife is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 Education Background and Business Experience**

Monica Judith Jalife was born in 1975. Ms. Jalife earned her Bachelor of Science degree in Industrial Engineering, in 2000 from Universidad Iberoamericana in Mexico City where she graduated with honors. Ms. Jalife also attended Stern School of Business at New York University and received a Masters of Business Administration degree with concentrations in Finance and Global Business. Ms. Jalife has been an investment adviser representative of PWM Advisory Group, LLC since September of 2011. Ms. Jalife has also been employed with Pinnacle Associates Ltd. since April of 2002 and is currently a Portfolio Manager.

Ms. Jalife has been a CFA<sup>®</sup> Charter Holder since 2009. CFA<sup>®</sup> designates an international professional certificate that is offered by the CFA Institute.

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 90,000 CFA charter holders working in 134 countries. To earn the CFA charter, candidates must: (1) pass three sequential, six-hour examinations; (2) have at least four years of qualified professional investment experience; (3) join CFA Institute as members; and (4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

Ms. Jalife has been a CERTIFIED FINANCIAL PLANNER™ since May of 2013. The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Item 3 Disciplinary Information**

None.

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

- Other Investment Adviser Firm.** Ms. Jalife, also serves as an investment adviser representative of Pinnacle Associates, Ltd. (“*Pinnacle Associates*”), an SEC registered investment advisor firm. Ms. Jalife may refer certain clients to *Pinnacle Associates* for

advisory services. The recommendation by Ms. Jalife that a client engage *Pinnacle Associates* for investment advisory services presents a **conflict of interest** as Ms. Jalife may receive a direct economic benefit from any such referral. No client is under any obligation to engage the services of *Pinnacle Associates*. **The Registrant's Chief Compliance Officer, Carmine D'Avino, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**

- B. The supervised person is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

The Registrant provides investment advisory and supervisory services in accordance with the Registrant's policies and procedures manual. The primary purpose of the Registrant's Rule 206(4)-7 policies and procedures is to comply with the supervision requirements of Section 203(e)(6) of the Investment Adviser's Act ("Act"). The Registrant's Chief Compliance Officer, Carmine D'Avino, is primarily responsible for the implementation of the Registrant's policies and procedures and overseeing the activities of the Registrant's supervised persons. Should an employee, independent contractor, investment adviser representative, or solicitor of the Registrant have any questions regarding the applicability/relevance of the Act, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding the Registrant's supervision or compliance practices, please contact Mr. D'Avino at 732-450-0147.

**Item 1 Cover Page**

A.

**Austin Hagaman**

PWM Advisory Group, LLC

Brochure Supplement

Dated: March 10, 2016

Contact: Carmine D'Avino, Chief Compliance Officer  
47 Reckless Place  
Red Bank, New Jersey 07701

B.

**This Brochure Supplement provides information about Austin Hagaman that supplements the PWM Advisory Group, LLC Brochure; you should have received a copy of that Brochure. Please contact Carmine D'Avino, Chief Compliance Officer, if you did *not* receive PWM Advisory Group, LLC's Brochure or if you have any questions about the contents of this supplement.**

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

**Item 2 Education Background and Business Experience**

Austin Hagaman was born in 1989. Mr. Hagaman graduated from Providence College in 2011, with a Bachelor of Science degree in Finance. Mr. Hagaman has been an investment adviser representative of PWM Advisory Group, LLC since September of 2011. From June of 2011 to January of 2013, Mr. Hagaman was an associate portfolio manager at Pinnacle Associates Ltd.

Austin Hagaman has been a CERTIFIED FINANCIAL PLANNER™ since January 2015. The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number

of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Mr. Hagaman has held the designation of Accredited Wealth Management Advisor<sup>SM</sup> (“AWMA<sup>®</sup>”) since 2015. AWMA<sup>®</sup> is a professional designation administered by the College for Financial Planning. Candidates receive training in investment for retirement, strategies for small business owners, the management of deferred compensation plans, insurance, estate planning,

asset protection, and tax reduction issues. Candidates are required to complete a final examination testing these topics. All candidates are subject to ongoing ethics and educational requirements.

### **Item 3 Disciplinary Information**

None.

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

- A. Mr. Hagaman is not actively engaged in any other investment-related businesses or occupations.
- B. Mr. Hagaman is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

### **Item 6 Supervision**

PWM Advisory Group, LLC provides investment advisory and supervisory services in accordance with PWM Advisory Group, LLC's policies and procedures manual. The primary purpose of PWM Advisory Group, LLC's Rule 206(4)-7 policies and procedures is to comply with the supervision requirements of Section 203(e)(6) of the Investment Adviser's Act ("*Act*"). PWM Advisory Group, LLC's Chief Compliance Officer, Carmine D'Avino, is primarily responsible for the implementation of PWM Advisory Group, LLC's policies and procedures and overseeing the activities of PWM Advisory Group, LLC's supervised persons. Should an employee, independent contractor, investment adviser representative, or solicitor of PWM Advisory Group, LLC have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding PWM Advisory Group, LLC's supervision or compliance practices, please contact Mr. D'Avino at 732-450-0147.



**Item 1 Cover Page**

A.

**Thomas W. Farrell**

PWM Advisory Group, LLC

Brochure Supplement

Dated: March 10, 2015

Contact: Carmine D'Avino, Chief Compliance Officer  
47 Reckless Place  
Red Bank, New Jersey 07701

B.

**This Brochure Supplement provides information about Thomas W. Farrell that supplements the PWM Advisory Group, LLC Brochure; you should have received a copy of that Brochure. Please contact Carmine D'Avino, Chief Compliance Officer, if you did *not* receive PWM Advisory Group, LLC's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Thomas W. Farrell is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2 Education Background and Business Experience**

Thomas W. Farrell was born in 1976. Mr. Farrell graduated from Bucknell University in 1999, with a Bachelor of Arts degree in Education. Mr. Farrell has been an investment adviser representative of PWM Advisory Group, LLC since March 2015. From June of 2000 to September of 2014, Mr. Farrell was a wealth adviser, financial adviser and an analyst at Regent Atlantic Capital.

Thomas W. Farrell has been a CERTIFIED FINANCIAL PLANNER™ since 2004. The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 71,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Thomas W. Farrell has been a Certified Exit Planning Advisor (CEPA) since 2011. The Certified Exit Planning Advisor (CEPA) Program is taught by nationally recognized experts in the field of exit planning; this 5-day executive MBA style program and includes a final examination. The CEPA Program offers professionals an innovative learning experience, performance-enhancing resources, and the strategic tools to help them advance their exit planning practice, including value enhancement. The CEPA Program process integrates exit strategy into business, personal and financial goals of the business owner. The process consists of three major components: 1) Maximizing Business Value or Value Enhancement, 2) Personal Financial Planning, and 3) Life After Business Planning. The process teaches that exit strategy is business strategy. It is about building, harvesting and preserving wealth and integrating best business practices into daily operations. The Methodology focuses on enterprise value and is a revenue producing model for professional advisors that is justifiable with growth of overall enterprise value.

Certification process elevates professional standards, enhances individual performance and differentiates CEPA professionals from those who do not have the knowledge needed to provide high quality exit planning services to business owners.

Continuing Education Credits are offered for six major professionals associations, including CPA and CFP®, making the CEPA Program the most widely accepted and endorsed professional exit planning program in the world.

### **Item 3 Disciplinary Information**

None.

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

- A. Mr. Farrell is not actively engaged in any other investment-related businesses or occupations.
- B. Mr. Farrell is not actively engaged in any non-investment-related business or occupation for compensation.

### **Item 5 Additional Compensation**

None.

## **Item 6 Supervision**

PWM Advisory Group, LLC provides investment advisory and supervisory services in accordance with PWM Advisory Group, LLC's policies and procedures manual. The primary purpose of PWM Advisory Group, LLC's Rule 206(4)-7 policies and procedures is to comply with the supervision requirements of Section 203(e)(6) of the Investment Adviser's Act ("*Act*"). PWM Advisory Group, LLC's Chief Compliance Officer, Carmine D'Avino, is primarily responsible for the implementation of PWM Advisory Group, LLC's policies and procedures and overseeing the activities of PWM Advisory Group, LLC's supervised persons. Should an employee, independent contractor, investment adviser representative, or solicitor of PWM Advisory Group, LLC have any questions regarding the applicability/relevance of the *Act*, the Rules thereunder, any section thereof, or any section of the policies and procedures, he/she should address those questions with the Chief Compliance Officer. Should a client have any questions regarding PWM Advisory Group, LLC's supervision or compliance practices, please contact Mr. D'Avino at 732-450-0147.