

**Form ADV Part 2A
Firm Brochure**

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This brochure provides information about the qualifications and business practices of RJL Wealth Management. If you have any questions about the contents of this brochure, please contact us at 800-644-1150 or rjlwmcompliance@rjlwm.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 RJL Wealth Management is also available on the Internet at www.adviserinfo.sec.gov. You can view RJL Wealth Management's information on this website by searching for RJL Wealth Management. You may search for information by using RJL Wealth Management's name or by using RJL Wealth Management's CRD number. The CRD number for RJL Wealth Management is 152396.

*Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by applicable rules and regulations. You will notice that the format of this brochure is different than the “check the box” format you may have seen in the past. This narrative brochure is intended to be written in “plain English” and should be more user-friendly than previous versions. Important information should be easier to locate, read and understand.

The content is also slightly different. The SEC has required eighteen (18) different items to be discussed in this brochure. Although many of the items were included in previous versions of this disclosure document, we must address all required items in this version of the brochure.

You are receiving a copy of this brochure to ensure you have important information to assist you in making investment decisions about the products and services offered through RJL Wealth Management, LLC.

In the past we have offered or delivered information about our Firm’s qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes that were made to the brochure by no later than April 30 each year. Along with this summary you will receive instructions on how to obtain an updated copy of the full brochure if you would like one. You will receive an updated brochure or summary of material changes whenever important information changes.

Since we filed our 2010 annual amendment, changes have been made to information that was previously disclosed. A brief summary of those changes is provided below.

- The owners of the Firm, the investment advisor representatives are no longer dually licensed with Raymond J Lucia Companies, Inc.
- We have established solicitor arrangements through the Buckets of Money Advisor Network.
- In 2010, the SEC clarified its definition of when a firm has custody. This clarification means we have custody of client funds. We meet this definition because we have the authority to debit client accounts to pay various account fees and because our firm accepts checks and security certificates from clients in an effort to facilitate their deposit.
- We have created a new advisory program. Detailed information about each of our advisory programs is outlined in Appendix 1.
- We have discontinued the RJLWM Advisor Directed and Advisor Managed Programs.

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Item 4 – Advisory Business

RJL Wealth Management, LLC (referred to as “RJL Wealth Management”, the “Firm” or “RJLWM” throughout this document) is an investment advisor registered with the United States Securities and Exchange Commission. The Firm is a limited liability company formed under the laws of the state of California and has been registered as an investment advisor since February 8, 2010. RJL Wealth Management is 100% owned and controlled by RJL Holding Company, LLC which in turn is 100% controlled and managed by Raymond J. Lucia, Jr. We offer personalized investment advisory services including financial planning and consulting, asset management, referrals to third-party money managers, and seminars through RJL Wealth Management.

General Description of Primary Advisory Services

The following are brief descriptions of RJL Wealth Management’s primary services. A detailed description of RJL Wealth Management’s services is provided in Item 5 – Fees and Compensation so that clients and prospective clients can review the services and description of fees in a side-by-side manner.

Financial Planning. We provide advisory services in the form of financial planning services. Financial planning services do not involve the active management of client accounts, but instead focus on a client’s overall financial situation. Financial planning can be described as helping individuals determine and set their long-term financial goals through investments, tax planning, asset allocation, risk management, retirement planning, and other areas. The role of a financial planner is to find ways to help the client understand his/her overall financial situation and help the client set financial objectives.

Asset Management. We also provide advisory services in the form of asset management services. Asset management services involve providing clients with continuous and on-going supervision over client accounts. This means that RJL Wealth Management will continuously monitor a client’s account and make trades in client accounts when necessary.

Use of Third Party Money Managers. We also refer clients to outside, or unaffiliated, money managers that are registered or exempt from registration as investment advisors. Third-party money managers are responsible for continuously monitoring client accounts and making trades in client accounts when necessary.

Specialization. We specialize in the following areas:

- Financial planning focusing on retirement planning, tax management, long term care, estate planning, and asset allocation.
- Investment Management specializing in selection of mutual fund portfolios, equities and fixed income investments, mutual funds, and other securities.

Full details of our services are contained within Item 4 and Item 5 of this Disclosure Brochure.

Limits Advice to Certain Types of Investments.

RJL Wealth Management limits its investment advice to the following types of investments (more information about the investments we recommend in connection with our strategies is provided at Item 8 of this Disclosure Brochure).

- Exchange-listed securities

- Securities traded over-the-counter
- Foreign issues
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Options contracts on:
 - Securities
 - Commodities
- Futures contracts on tangibles
- Interests in partnerships investing in real estate, oil and gas interests
- RJL Wealth Management may provide advice to a client regarding real estate investment trusts, real estate partnerships and other private placement investments. These types of investments are often illiquid, which means that the investments can be difficult to trade and consequently can limit a client's ability to sell the investments in a timely manner and at an advantageous price. Additionally, some investments may not have registered pursuant to the Securities Act of 1933, and therefore the client will need to complete a subscription agreement showing the client is an "accredited" investor (as defined by applicable law and rules and regulations) and acknowledge that he or she has read and understands the private placement memorandum and is aware of the various risk factors associated with such an investment.

Tailor RJL Wealth Management Services to Individual Needs of Clients

RJL Wealth Management's services are always provided based on the specific needs of the individual client. Clients are given the ability to impose restrictions on their accounts including specific investment selections and sectors.

When managing client accounts, we typically manage a client's account in accordance with one or more investment models that we have developed. When client accounts are managed using models, investment selections are based on the underlying model and we do not develop customized (or individualized) portfolio holdings for each client. However, the determination to use a particular model or models is always based on each client's individual investment goals, objectives and mandates.

Please refer to Item 5 – Fees and Compensation for more information about our Firm's models and Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information about our Firm's strategies.

Wrap-Fee Program versus Portfolio Management Program

RJL Wealth Management provides asset management services through both wrap-fee programs and traditional management programs. Under a wrap-fee program, advisory services and transaction services are provided for one fee. This is different from traditional management programs whereby RJL Wealth Management's services are provided for a fee, but transaction services are billed separately on a per-transaction basis. From a management perspective, there is not a fundamental difference in the way RJL

Wealth Management manages wrap-fee accounts versus traditional management accounts. The only significant difference is the way in which transaction services are paid.

Client Assets Managed by RJL Wealth Management

The amount of clients assets managed by RJL Wealth Management totaled \$400,331,899.84 as of December 31, 2010. These assets are managed on a discretionary basis. In addition, our investment advisor representatives, in their separate capacities as First Allied Securities, Inc. registered representatives, oversee \$1,238,607,430.61 (as of December 31, 2010) of client assets held in traditional commission-based accounts. All services provided through First Allied Securities, Inc. are non-discretionary. Our investment advisor representatives, in their separate capacities as licensed insurance agents oversee \$ 122,602,977.08 of client assets held in fixed annuity products (as of December 31, 2010).

Item 5 – Fees and Compensation

In addition to the information provide in Item 4 – Advisory Business, this section provides details regarding RJL Wealth Management’s services along with descriptions of each service’s fees and compensation arrangements.

Financial Planning Services

RJL Wealth Management provides financial planning services by offering analyses and recommendations in areas including, but not limited to, business planning, education, retirement planning, life insurance, estate planning, tax planning and investments. Clients are asked to complete and furnish informational profiles and documentation to assist RJL Wealth Management’s associated persons in providing these services. One or more meetings may be required in order to gather all needed information and determine the services best suited to help meet the client’s needs. Clients are also urged to work closely with their attorney, accountant or other professionals regarding their financial and personal situation. Clients have sole discretion on whether or not to contract for RJL Wealth Management’s services. Further, clients will have full discretion on whether or not to implement any financial planning recommendations made by RJL Wealth Management’s associated persons.

Typically, all new clients will receive a financial planning review and analysis. Depending on the individual needs of a particular client or if requested by a client the client will receive a written financial plan. RJL Wealth Management utilizes a proprietary investment strategy developed by Raymond J. Lucia, Sr. that segments a client’s portfolio into several bucket strategies. Each bucket strategy is designed to meet specific objectives. A variety of investments may be utilized to meet the goals of each “bucket” and are selected based on the individuals risk tolerance, time horizon, future income needs, savings goals and withdrawals,

RJL Wealth Management provides written financial planning services in a variety of formats, customizing each plan to meet the client’s needs, concerns, goals and objectives. Clients can choose from a simple plan focusing on one specific area of concern or a more complex plan covering multiple areas relating to the client’s financial situation. The following are some, but not necessarily all, of the areas clients can select:

- Strategy allocation designed to provide the client with reliable income along with the potential to achieve investment returns needed to fund future financial needs or goals:
- An assessment of the client's personal financial goals. Options to help achieve those goals will also be provided.
- A personalized asset allocation model determined by the client's risk tolerance. The objective is to match the client's risk tolerance with proper investments and to achieve acceptable rates of return through diversification of assets.
- A compilation and analysis of the client's current investments to help align assets with goals. Includes a listing of assumptions made to develop a personal plan for the client.

Because financial planning services are provided to clients that anticipate establishing an on-going asset management arrangement with RJL Wealth Management, fees for financial planning services are typically never charged. In the event fees are charged, the maximum charge will not exceed \$5,000. Fees are negotiable based upon the complexity of the client's financial situation, the services contracted for and the knowledge and skill level required of RJL Wealth Management's associated person providing the services. Planning fees may be reduced by the amount of additional advisory fees retained by RJL Wealth Management or waived altogether. All fees will be disclosed to clients prior to any services being provided.

If necessary or if requested by the client, RJL Wealth Management's associated person will coordinate or consult with the client's outside counsel (i.e., attorney, CPA, accountant) when providing advice. Any consultation or coordination required will also be considered when determining the client fee. Any fees charged by outside counsel will be separate from the fees charged by RJL Wealth Management's associated person and will be billed directly to the client by outside counsel.

When a fee is charged for financial planning services, such fees are due upon completion and presentation of the plan. However, clients may elect to pay a retainer to RJL Wealth Management at the time the agreement for services is signed. In this case, the remaining balance will be due upon completion and presentation of the plan. Fees of more than \$1,200 will not be charged more than six months in advance. Either party may terminate the contract at any time by submitting written notice to all appropriate parties and termination will be effective upon the receipt of such notice. Services will be terminated without penalty. If the client is not satisfied with the financial plan as presented, RJL Wealth Management's associated persons will attempt to revise the plan to the client's satisfaction. If the client is still not satisfied, the client can withhold payment or request a refund of any fees paid in advance.

Asset Management Services

RJL Wealth Management makes available asset management services through the various platforms that are described in more detail on the following pages. Asset Management services may be provided directly by (1) RJL Wealth Management, (2) by a third party money manager, or (3) through a platform whereby RJL Wealth Management and a third party money manager co-manage the client's assets. The client is charged one fee which consists of two components, the platform fee and the RJLW investment advisory fee. Platform fees in wrap fee programs include sub-manager or sub-advisor fees, program sponsor fees, custody fees and transaction charges. Platform fees will vary based on the program selected and are in addition to the RJLW advisor fee.

In all cases, the maximum RJLWM investment advisory fee paid to RJLWM for providing advisory services shall not exceed 1%. Below is a table showing the maximum RJLWM investment advisory fee based on account size.

Account Size	RJLWM Advisory Fee
Up to \$999,999	1.00%
\$1,000,000 to \$4,999,999	0.75%
\$5,000,000 to \$9,999,999	0.50%
\$10,000,000 and above	Negotiable

RJL Wealth Management Sponsored Wrap Fee Programs

RJL Wealth Management has developed and sponsors five wrap-fee programs--RJLWM Equity Income Strategies, RJLWM Risk Managed-Strategies, and RJLWM Core/Alpha ETF Strategies. The RJLWM Equity Income, RJLWM Risk Managed, RJLWM Core/Alpha ETF, and RJLWM Core Mutual Funds Strategies are each sub-advised by Advanced Equities Asset Management, an unaffiliated investment adviser. Clients contracting for one of these wrap-fee programs will receive the appropriate disclosure brochures which provide detailed information regarding the various programs.

RJL Wealth Management Program

RJL Wealth Management has entered into an agreement with Envestnet Asset Management, Inc. (“Envestnet”), an SEC registered investment advisor, through which RJL Wealth Management uses Envestnet to provide certain investment advisory services to clients through the Envestnet Managed Account Resource Program (“Program”), a wrap-fee program sponsored by Envestnet. The Program is marketed under the name RJL Wealth Management. The Program provides functions and renders investment advice to RJL Wealth Management, including recommending an appropriate asset allocation for each client and specific investment managers (“Sub-Managers”) or investment products.

Upon execution of a *Statement of Investment Selection*, RJL Wealth Management assists clients with the establishment of one or more individual accounts at National Financial Services through the Fidelity Institutional Wealth Program (collectively referred to as Fidelity). Fidelity will serve as the qualified custodian for accounts through Program. Clients must appoint Envestnet and the RJL Wealth Management as their investment advisor on the account.

Through the Program, Envestnet assists the RJL Wealth Management to provide each client continuous investment advice based on their needs and circumstances. Utilizing tools provided by Envestnet, RJL Wealth Management will determine the suitability of the asset allocation and investment options for each client. RJL Wealth Management will then assist clients in allocating their assets among different investment options in the Program and recommend investment vehicles and/or Sub-Managers within that program for their accounts.

Clients participating in the Program will grant RJL Wealth Management discretionary authority with respect to investment and advisory services provided to Program clients. Additionally, each client will grant RJL Wealth Management full discretionary authority to (i) invest and reinvest the assets in the Program and (ii) retain Sub-Managers with respect to all or a part of the Separate Account Program Assets. These Sub-Managers, in turn, shall be granted full discretionary authority to invest and reinvest

the Separate Account Program Assets with respect to which such Sub-Managers have been granted investment discretion, subject to reasonable restrictions requested by the client.

Clients participating in the Program are charged a specified fee, or fees for investment advisory and execution services. Clients in the Program pay a single annualized fee, calculated by applying the annual fee schedule for the pertinent category of Program assets in the *Statement of Investment Selection* to the asset value of Program assets (determined quarterly on an account by account basis and not in the aggregate). The initial Program fee will equal (on an annualized basis) the percentage set forth in the client fee schedule of the fair market value of each client's Program assets in the applicable category. This fee is not based directly on the transactions in the client's accounts.

The initial Program fee shall be calculated and debited on the day after the initial Program assets are placed in the Program with Fidelity and shall be the Program fee for the first calendar quarter (or part thereof) in which the client participates in the Program. The initial Program fee for any partial calendar quarter shall be appropriately pro-rated based on the number of calendar days in the partial quarter. Thereafter, the Program fee shall be calculated at the beginning of each calendar quarter based on the value of Program assets on the last business day of the prior calendar quarter. However, if an Account is opened in the last month of a calendar quarter, the Program fee will be calculated and debited for the remaining period in the calendar quarter plus the next calendar quarter on the day after initial Program assets are placed into the Program. If a client invests \$10,000 or more in any Account after the inception of a calendar quarter, the Program fee for that quarter will be recalculated and pro-rated as of the day of the additional investment. The Program fee for each quarter will equal (on an annualized basis) the percentage set forth in the client agreement's fee schedule of the fair market value of the Program assets in the applicable category (including interest paid or accrued) as calculated on the last business day of the previous calendar quarter. The account Custodian will determine the fair market value for Program fee calculation purposes. If services are terminated and all Program assets are withdrawn from the Program prior to the end of a quarter, the pro rata portion of the Program fee will be reimbursed to the client.

The Program fee will be debited from the client's Account(s) by Fidelity on a quarterly basis in advance. Clients will authorize Fidelity to pay Envestnet directly from the client's Account(s) and Envestnet, as agent for the clients, will pay all amounts due to RJL Wealth Management, Sub-Manager and Fidelity.

The Program fee includes the fee earned by RJLWM which was previously described in detail on page 9 of this brochure. Please refer back to that section for details regarding the fee earned by RJLWM. In addition, the Program fee also includes a platform fee. RJLWM does not receive any portion of the platform fee.

The maximum platform fee charged for Accounts that maintain equity stock as Program assets shall not exceed 0.95% annually or 0.55% annually for Accounts that maintain only mutual fund Program assets. The platform fee includes fees paid to any sub-managers, Envestnet, custody and transaction charges. The actual platform fee charged to individual clients will be based on factors such as, but not necessarily limited to, the amount of assets under management and the portfolio(s) used to manage the client's assets. The specific fee charged to a client will be agreed upon and described in the client agreement prior to commencing services.

A separate brokerage account will be established for each portfolio that is selected by a client. As a general rule, the minimum Account size is fifty thousand dollars (\$50,000). However, under certain

circumstances, RJL Wealth Management may waive the minimum account size requirement and accept accounts less than the minimum requirement.

Other costs that may be assessed to a client include fees for portfolio transactions executed away from Fidelity, IRA and qualified retirement plan charges, dealer mark-ups, electronic fund and wire transfer fees, market maker spreads, exchange fees and broker/dealer fees, among others. Mutual funds, exchange traded funds (“ETFs”), and alternative investments may charge their own fees (such as 12b-1 fees and surrender charges) for investing the pool of assets in the respective investment vehicle. Please see the prospectus or related disclosure document for information regarding these fees. These fees are not part of the Program fee.

For a complete description of the Program, clients should refer to the Envestnet Wrap Fee Program Disclosure Brochure. All clients participating in the Program will receive a copy of the Wrap Fee Program disclosure brochure prior to, or upon, entering into an agreement for the Program services. Program clients will also be offered a copy of the Wrap Fee Program disclosure brochure at least annually

Asset Management Services through the SEI Asset Management Program

The SEI Asset Management Program (SEI Program) is a non-wrap fee program. RJL Wealth Management uses this institutional asset allocation program in managing the client’s account assets. RJL Wealth Management’s associated persons assist the client in establishing an SEI Program Account (the Account) at SEI Trust Company (SEI). All transactions in the Account will be processed and cleared through SEI. The SEI Program uses asset allocation portfolios developed by SEI Investments. The portfolios consist of the SEI Family of Institutional Mutual Funds (Mutual Funds) and other securities approved by SEI to be held in an account. RJL Wealth Management’s associated persons provide SEI with the asset allocation policy (Asset Allocation Policy) that the client selects for the Account.

The percentage allocation of Account assets among the applicable securities may vary significantly from the percentage allocation contemplated by the client’s Asset Allocation Policy due to such factors as increases or decreases in the value of shares of the securities, dividends, capital gains, or other distributions made in respect of shares of the securities, and deduction of RJL Wealth Management’s unpaid fees from the account. Custody of all SEI Program Client Account assets is held at SEI.

SEI Program management fees (Management Fees) are payable quarterly, in arrears, based on assets under management at the end of the quarter. Management Fees charged by RJLWMM will be in accordance with the fee schedule described in detail on page 9 of this brochure. Please refer back to that section for information on the fees we charge for this program.

Management Fees are automatically deducted from the client’s Account. Each quarter SEI will send the client an account statement that will include a Management Fee Notification which will show the computed fee, any adjustments to fee, an explanation of any adjustment and the net Management Fee to be deducted later in the period from the Account. Clients may terminate the SEI Program account at any time by notifying RJL Wealth Management. Termination will be effective upon receipt of such notice. If services are terminated within five business days of executing the client agreement, services will be terminated without penalty. After the initial five business days, the client may be responsible for payment of fees for the number of days services were provided by RJL Wealth Management prior to receipt of the notice of termination.

Custodian fees and internal mutual fund expenses are separate from the RJLWMM Advisor Fee and RJLWMM receives no portion of such fees and expenses. Complete details on the SEI fees and expenses

are disclosed in SEI's Disclosure Brochure that will be given to all clients. The exact fee and/or fee schedule for each client will be disclosed in SEI's client agreement.

SEI Trust Company may charge a separate custodial fee for the custody services it provides the client's account. Mutual Funds held in the Account pay their own advisory fees and other expenses, which are explained in each Mutual Fund's prospectus. These fees and expenses are separate charges from the Account management fees.

Recommendation of 3rd Party Investment Advisors

RJL Wealth Management acts a solicitor and refers clients to unaffiliated third-party investment advisors offering asset management and other investment advisory services. As a result, RJL Wealth Management is paid a portion of the fee charged and collected by the third-party investment advisor in the form of solicitor fees or consulting fees. Each solicitation arrangement is performed pursuant to a written solicitation agreement and is in compliance with SEC Rule 206(4)-3 and applicable state securities rules and regulations.

Through this service, RJL Wealth Management assists clients with identifying the client's risk tolerance and investment objectives. RJL Wealth Management will recommend third-party investment advisors in relation to client's stated investment objectives and risk tolerance. A client may select a recommended third-party investment advisor based upon the client's needs. Clients will enter into an agreement directly with the unaffiliated third-party investment advisor who shall provide asset management services.

RJL Wealth Management shall be available to answer questions the client may have regarding their account and act as the communication conduit between the client and the third-party investment advisors. Third-party investment advisors generally take discretionary authority to determine the securities to be purchased and sold for the client. Neither advisor nor its associated persons will have any trading authority with respect to client's managed account with the third-party investment advisor(s).

Third-party managed programs generally have account minimum requirements that will vary from investment advisor to investment advisor. Account minimums are generally higher on fixed income accounts than equity based accounts. A complete description of the third-party investment advisor's services, fee schedules and account minimums will be disclosed in the third party investment advisor's Disclosure Brochure which will be provided to clients at the time an agreement for services is executed and account is established. Client reports will depend upon the third-party investment advisor.

While the actual fee charged to a client will vary depending on the third-party investment advisor utilized, the portion retained by RJL Wealth Management in the form of solicitor fees or consulting fees shall not exceed 1.0%. The fees we charge will be in accordance with the fee schedule detailed on page 9 of this brochure (please refer to that section for details). All fees are calculated and collected by the selected third-party investment advisor firm who shall be responsible for delivering RJL Wealth Management's portion of the client fee to RJL Wealth Management. Fees are negotiable with clients depending on factors such as, but not limited to, the amount of assets under management and the number client accounts.

Clients may incur additional charges including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, and IRA and qualified retirement plan fees. RJL Wealth Management will not receive any portion of such commissions or fees. RJL Wealth Management is only compensated by the consulting fee described above. RJL Wealth Management receives no other compensation in connection

with a client's account. When RJL Wealth Management negotiates lower fees and expenses charged by third parties, all negotiated improvements are for the clients' benefit.

While RJL Wealth Management reviews the performance of numerous third-party investment advisor firms, RJL Wealth Management has entered into a relationship only with Symmetry Partners, LLC, an SEC registered investment advisor, under this service. Third-party investment advisors recommended by RJL Wealth Management must be registered or exempt from registration in the state where the client resides.

Clients are advised that RJL Wealth Management's advisor representatives may have a conflict of interest by only offering those third-party investment advisors that have agreed to pay a portion of their advisory fee to RJL Wealth Management. Clients are advised that there may be other third-party managed programs that may be suitable to the client that may be more or less costly. No guarantees can be made that client's financial goals or objectives will be achieved. Further, no guarantees of performance can be offered. Investments involve risk, including the possible loss of principal.

Financial Consultation Services

Clients may also contract with RJL Wealth Management for specialized on-going consultation services regarding investment matters and portfolio holdings. Fees for this service will generally not exceed \$10,000 per year and are negotiable based upon the complexity of the client's financial situation, the actual services provided and extraordinary expenses that may be incurred in providing the services. The negotiated fee will be disclosed to the client prior to any services being provided. Fees will be billed quarterly, in arrears, and RJL Wealth Management will provide to the client a statement that will be due within two weeks after issuance.

As registered representatives, RJL Wealth Management's associated persons may be named as representative of record on brokerage accounts that are included in these on-going consultation services. The associated persons may also be independently licensed insurance agents and be named as agent of record on insurance and annuity products that are included in the consultation services. In these separate capacities; RJL Wealth Management's associated persons may earn commissions or 12b-1 fees when making transactions in securities, load mutual funds, variable life, variable annuity and insurance products. Any transactions made in the client's accounts will be made only at the client's instruction and any commissions earned on securities or load mutual fund transactions will be offset against the on-going consultation fees charged. Client will be responsible for transaction ticket charges (the actual cost of each trade, typically \$20 to \$35, plus exchange fees). These fees and charges will be noted on the client's statements and confirmations.

On-going consultation services are contracted for on a yearly basis and can be renewed for a like period by executing a new client agreement. RJL Wealth Management and client can terminate these on-going consultation services by providing written notice to the other party, and termination will be effective immediately upon receipt. If terminated within five business days of signing the client agreement, services are terminated with no penalty. After the five business days, the client is responsible for payment of fees for time and effort expended to the date of termination. RJL Wealth Management will provide to the client a statement showing the time expended to the date of termination, and the statement will be due and payable within two weeks of issuance.

Seminars

RJL Wealth Management's associated persons may present seminars on general financial and investment topics or specifically on the Buckets strategy. Generally, these seminars will be presented at no charge. However, in some instances a fee may be charged to cover the cost of providing the seminar and any materials presented at the seminar. Participants will be informed of any seminar charges in advance and charges will be due at the time the seminar is held.

Item 6 – Performance-Based Fees and Side-By-Side Management

Item 6 of the Form ADV Part 2 instructions is not applicable to RJL Wealth Management's brochure because RJL Wealth Management does not charge or accept performance-based fees which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

RJL Wealth Management generally provides investment advice to the following types of clients.

- Individuals
- High-Net Worth Individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

All clients are required to execute an agreement for services in order to establish a client arrangement with RJL Wealth Management.

Minimum Investment Amounts Required

RJL Wealth Management requires a minimum investment amount of \$25,000 for RJLWM Adviser-Directed accounts, \$50,000 for RJLWM Core/Alpha ETF Strategies accounts, and \$100,000 for RJLWM Risk Managed Strategies accounts. The minimum account size for an RJL Wealth Management program account is \$100,000. The minimum investment required in the SEI Program is \$100,000. Exceptions may be granted to the minimums at the discretion of RJL Wealth Management and the program sponsor when applicable.

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

For third-party managed accounts, please see the sponsor's disclosure brochure for detailed information about the investment methodologies of the managers. RJLWM's methods of analysis and investment strategies may differ from those used by third-party managers.

RJL Wealth Management uses the following methods of analysis in formulating investment advice.

Fundamental. This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about

using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

Technical. This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision might be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume may only be heavy relative to past volume for the security in question, but not compared to the future trading volume. Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd. The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which may result in a premature purchase of a security.

RJL Wealth Management uses the following investment strategies when managing client assets and/or providing investment advice.

RJL Wealth Management focuses on tactical asset allocation which calls for a range of percentages in each asset class (such as Stocks = 40-50%). These are minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

We may use active trading strategies. However, most of our accounts are managed through wrap-fee programs where transactions are included in the overall management fee charged to clients. Therefore, clients do not bear additional expenses that result from increased trading activity.

RJLWMM utilizes a financial planning method that segregates a client's portfolio into categories. At the strategy's core is the concept of matching assets to liabilities. Short-term liabilities or income needs are matched against short-term fixed income assets. Longer term liabilities or income needs later in retirement are matched against long-term growth focused investments.

A custom strategy is developed for each client based on a financial questionnaire completed by the client and is specific to the client's personal situation. The financial profile information from this questionnaire is used to design your portfolio based on certain assumptions. These assumptions include determining whether to design the portfolio based on a withdrawal rate (percentage of the portfolio value at retirement)

or based on a total income from all sources, taking into account a portfolio withdrawal strategy to meet the clients total income needs including portfolio withdrawals and other income (such as social security, pensions, and rental income). When calculating an individual strategy, the investment advisor representative will make assumptions based on beginning account values, assumed rates of return, earnings, savings and withdrawals. The investment advisor representative will calculate the amount of the portfolio dedicated to each category based on the timing of additions and withdrawals, rates of return, and other factors unique to each client situation.

The strategy seeks to provide clients income for life utilizing investments that meet the criteria of five categories. These categories include Lifetime Income, Fixed Income, Relative Safety, Growth & Income and Long Term Growth.

- Potential investments for the Lifetime Income category include variable annuities with guaranteed minimum withdrawal benefit riders or single premium immediate annuities.
- Potential investments for the Fixed Income category include fee-based managed accounts, Certificates of Deposit (CD's), money market funds, corporate debt securities, municipal securities, government debt securities, single premium immediate annuities, fixed deferred annuities, equity indexed annuities and to an extent mutual funds, exchange traded funds, unit investment trusts and closed end funds.
- Potential investments for the Relative Safety category include fee-based managed accounts, corporate debt securities, municipal securities, government debt securities, mutual funds, exchange traded funds, unit investment trusts, closed end funds, structured products, variable annuities with principal protection riders, fixed deferred annuities, and equity indexed annuities.
- Potential investments for the Growth & Income Category include fee-based managed accounts, mutual funds, exchange traded funds, unit investment trusts, closed-end funds, structured products and non-traded real estate investment trusts.
- Potential investments for the Long-term Growth category include fee-based managed accounts, mutual funds, exchange traded funds, unit investment trusts, closed-end funds, equity annuities, variable annuities with principal protection riders, variable annuities with death benefit riders, structured products, non-traded real estate investment trusts, alternative investments, and commodities.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When RJJ Wealth Management invests in a an ETF or mutual fund, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds.
- Management Risk – Your investment with our Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

This item is not applicable to RJL Wealth Management's brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of RJL Wealth Management's business or the integrity of RJL Wealth Management's management.

Item 10 – Other Financial Industry Activities and Affiliations

RJL Wealth Management is **not** and does **not** have a related company that is a (1) municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) other investment adviser or financial planner, (4) futures commission merchant, commodity pool operator, or commodity trading advisor, (5) banking or thrift institution, (6) accountant or accounting firm, (7) lawyer or law firm, (8) pension consultant, (9) real estate broker or dealer, or (10) sponsor or syndicator of limited partnerships.

Relationship with Affiliated and Unaffiliated Broker/Dealers

Lucia Securities LLC is a limited use broker/dealer and an affiliate of RJL Wealth Management. There are currently no accounts established or processed through this broker/dealer. In addition, while RJL Wealth Management is not related or affiliated with First Allied Securities, Inc. ("FASI"), RJL Wealth Management's associated persons are registered representatives of FASI, a full-service broker/dealer, member FINRA/SIPC. When placing securities transactions through FASI in their capacity as registered representatives, RJL Wealth Management's associated persons may earn sales commissions. The fact that RJL Wealth Management's associated persons can act in their separate capacities as FASI registered representatives is material to RJL Wealth Management's advisory business.

Certain product sponsors may provide RJL Wealth Management and/or its associated persons with other economic benefits as a result of sales activities directed to the sponsors, including but not limited to, financial assistance or the sponsorship of conferences and educational sessions, marketing support, incentive awards, payment of travel expenses, tools to assist RJL Wealth Management and/or its associated persons in providing various services to clients such as reporting programs and portfolio analysis and direction of brokerage transactions to FASI. Any hard dollars received in the form of reimbursements or other marketing support is paid to Lucia Securities LLC.

The following is important information about FASI.

First Allied is a wholly owned indirect subsidiary of Advanced Equities Financial Corp.

Advanced Equities Financial Corp. is a private holding company divided into two primary business units: (a) the Independent Brokerage Group; and (b) the Venture Capital and Private Client Services Group. The Independent Brokerage Group engages primarily in retail and institutional securities brokerage, investment banking, private equities and asset management services through its subsidiaries, Advanced Equities, Inc., First Allied Securities Inc., First Allied Advisory Services, Inc., and Advanced Equities Wealth Management. through which the following wholly-owned subsidiaries function: Greenbook Pension Services, Inc., Advanced Equities Asset Management, Inc., and Advanced Equities Insurance Services, Inc. First Allied is part of the Independent Brokerage Group. The Venture Capital and Private Client Services Group primarily provides investment banking and late stage private equity financing to emerging companies through subsidiary Advanced Equities, Inc.

RJLWM does not provide advice that is formulated by Advanced Equities, Inc.

Advanced Equities Asset Management, Inc. (“AEAM”), First Allied Securities, Inc. and First Allied Advisory Services, Inc. are related registered investment advisers. RJLWM may utilize or offer to clients the investment management products and services of these firms. These products and services are described more fully in the Form ADV Part 2 Disclosure Brochure of each firm. Potential conflicts of interest will be disclosed to clients who utilize these services through delivery of the respective Form ADV Part 2 Disclosure Brochure.

Advanced Equities Insurance Services, Inc. (“AEIS”) is an insurance general agency that offers insurance products through licensed insurance agents. The majority of these agents are registered as investment adviser representatives or registered representatives of an AEIS affiliate.

Greenbook Pension Services, Inc. (“GBPS) provides third-party pension administration services. They provide third-party pension administration for plan sponsors, including some plan sponsors that receive other services from GBPS affiliates. IARs of RJLWM do not receive compensation for referring clients to GBPS and may refer plan sponsor to this entity or other third party firms for pension administration services. RJLWM does not provide pension administration services.

FAI is a member of the National Futures Association.

Relationship with Affiliated Insurance Agency

RJL Wealth Management’s owner, Raymond J. Lucia, Jr. is a member and partner of LLK Insurance Brokerage Services, LLC, doing business as RJL Insurance Services, an insurance agency. When RJL Wealth Management’s associated persons determine that clients are in need of insurance products, clients may be referred to LLK Insurance Brokerage Services, LLC. In addition, if a LLK Insurance Brokerage Services, LLC client is in need of financial planning or other advisory services, the client may be referred to the RJL Wealth Management. Principal owners and other agents or employees of LLK Insurance Brokerage Services, LLC will not be compensated in any way for the referral of a client to RJL Wealth Management by RJL Wealth Management.

The amount of the advisory fee is not increased due to this arrangement and clients are not obligated to use the services of LLK Insurance Brokerage Services, LLC or RJL Wealth Management. While RJL Wealth Management does not provide compensation for referrals from LLK Insurance Brokerage Services, LLC, RJL Wealth Management and LLK Insurance Brokerage Services, LLC are under common ownership and there is a benefit for the two firms to share clients.

Third-Party Money Managers

As described in Item 4 – Advisory Business and Item 5 – Fees and Compensation, we have formed relationships with independent, third-party money managers.

We may recommend clients work directly with third-party money managers. When we refer clients to a third party money manager, you need to know that the Firm will receive a portion of the fee charged by the third party money manager. Therefore, we have a conflict of interest in that we will only recommend third party money managers that will agree to compensate the Firm by paying us a portion of the fees billed to your account managed by the third party money manager.

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. RJL Wealth Management and its associated persons have a fiduciary duty to all clients. RJL Wealth Management has established a Code of Ethics which all associated persons must read. They must then execute an acknowledgment agreeing that they understand and agree to comply with RJL Wealth Management's Code of Ethics. The fiduciary duty of RJL Wealth Management and its associated persons to clients is considered the core underlying principle for RJL Wealth Management's Code of Ethics and represents the expected basis for all associated persons' dealings with clients. RJL Wealth Management has the responsibility to make sure that the interests of clients are placed ahead of it or its associated persons' own investment interests. All associated persons will conduct business in an honest, ethical and fair manner. All associated persons will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted.

All associated persons have a responsibility to avoid circumstances that might negatively affect or appear to affect the associated persons' duty of complete loyalty to their clients. This section is only intended to provide current clients and potential clients with a description of RJL Wealth Management's Code of Ethics. If current clients or potential clients wish to review RJL Wealth Management's Code of Ethics in its entirety, a copy may be requested from any of RJL Wealth Management's associated persons and a copy will be provided promptly.

Personal Trading Policy

RJL Wealth Management or its associated persons may buy or sell securities or have an interest or position in a security for their personal account which they also recommend to clients. This presents a conflict of interest between our clients' investment interests and the interests of our personnel. Therefore, we have formed the following procedures to help monitor and control for conflicts of interest arising from our personal trading policies.

- RJL Wealth Management is and shall continue to be in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988.
- No associated person shall prefer his or her own interest to that of an advisory client.
- No person employed by RJL Wealth Management may purchase or sell the same security prior to a transaction or transactions being implemented for an advisory account.
- Associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry.
- As part of the Code of Ethics (summarized above) RJL Wealth Management maintains a list of all securities holdings for itself and all associated persons which are reviewed on a regular basis by a principal of the firm.

Item 12 – Brokerage Practices

Clients wishing to implement RJL Wealth Management's advice are free to select any broker/dealer or investment advisor they wish and are so informed. If clients wish to have RJL Wealth Management's associated persons implement the advice in their capacity as registered representative or establish an account through one of the programs described in this brochure, RJL Wealth Management's associated persons' broker/dealer, First Allied Securities, Inc. ("FASI") may be used. When RJL Wealth Management is responsible for managing client accounts, RJL Wealth Management is also responsible for seeking best execution of all client transactions. Best execution does not necessarily mean the lower price, but includes the overall services received from a broker/dealer.

Associated persons of RJL Wealth Management are registered representatives of FASI and are required to use the services of FASI and FASI's approved clearing broker-dealers when acting in their capacity as registered representatives. All accounts established through FASI will be cleared and held at Pershing, LLC. FASI has a wide range of approved securities products for which FASI performs due diligence in selecting. Registered Representatives of FASI are required to adhere to these products when implementing securities transactions through FASI. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer. In addition to compliance support and oversight, FASI also provides the associated persons of RJL Wealth Management, and therefore the RJL Wealth Management, with back-office operational, technology, and other administrative support.

In addition to the recommendation of FASI, RJL Wealth Management utilizes the services and therefore may also recommend clients establish an account through the Fidelity Institutional Wealth Management Program. For accounts established through this platform, National Financial Services LLC serves as the broker/dealer and qualified custodian. While there is no direct linkage between the investment advice given to clients and RJL Wealth Management's participation in the Fidelity program, economic benefits are received by RJL Wealth Management which would not be received if RJL Wealth Management did not give investment advice to clients.

These benefits include: A dedicated trade desk that services Fidelity participants exclusively; a dedicated service group and an account services manager dedicated to RJL Wealth Management's accounts; access, for a fee, to a real-time order matching system; ability to "block" clients' trades; electronic download of trades, balances and position information; access, for a fee, to an electronic interface with Fidelity's software; duplicate and batched client statements, confirmations and year-end summaries; the ability to have advisory fees directly debited from client accounts; a quarterly newsletter; access to Fidelity mutual funds; and access to AdvisorChannel.com (internet access to statements, confirmation and transfer of asset status). The benefits received through participation in the Fidelity program do not depend upon the amount of transactions directed to or amount of assets managed through National Financial Services, LLC.

Clients should understand that not all investment advisors require the use of a particular broker/dealer or require the use of a broker/dealer that is affiliated with the investment advisor. While RJL Wealth Management attempts to seek best execution for client accounts, RJL Wealth Management may be unable to achieve the most favorable execution of client transactions. There may be other platforms that are less expensive for clients and may provide faster execution capabilities. Please note that FASI does not provide us with any client referrals therefore not factoring into our decision to require the use of FASI.

Aggregation of Client Orders-Block Trading Policy

Transactions we implement for client accounts are generally effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by the Firm when we believe such action may prove advantageous to clients. When we aggregate client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among the Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When we determine to aggregate client orders for the purchase or sale of securities, including securities in which we may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* It should be noted, we do not receive any additional compensation or remuneration as a result of aggregation.

Item 13 – Review of Accounts

Updates and reviews of financial plans are provided on an as-needed basis. Such reviews and updates to a client's financial planning situation are provided by the client's investment advisor representative.

Account reviews are provided in connection with asset management accounts and money manager programs. For clients participating in these programs, an investment advisor representative will contact clients at least annually for the purpose of reviewing their account and to determine if there have been changes in their financial situation or investment objectives. Any changes are then reported internally, as well as to any appropriate third party such as money managers. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in the client's circumstances, client request, or changes within the market.

Accounts managed by third party managers are reviewed by the client's investment advisor representative when statements are received from those managers, usually quarterly. However, these accounts may also be reviewed monthly if there is account activity. Accounts managed by RJL Wealth Management are reviewed by the client's investment advisor representative on a regular basis, but at least quarterly.

As part of this review, the Investment Advisor Representative may provide clients with an account summary or performance report. Although the information provided on the summary or report we deliver to you has been retrieved from sources believed to be reliable, we urge you to compare the holdings listed on the custodian's statement to those listed on reports we deliver to you. Clients will receive statements at least quarterly from the qualified custodian at which their account is maintained. If any discrepancies are found, please contact RJLWM at 800-644-1150.

Item 14 – Client Referrals and Other Compensation

Other Compensation

RJL Wealth Management's associated persons sell securities in their separate capacity as registered representatives. Some of the associated persons are also independently licensed insurance agents and sell insurance products. They can earn commissions when selling these products.

Some of the advice offered by the associated persons involves investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. The associated persons may receive a portion of these 12b-1 fees from some investment companies in their separate capacities as registered representatives. Clients should be aware that these 12b-1 fees come from fund assets and, thus, indirectly from client's assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12b-1 fees or higher 12b-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest.

From time to time, RJL Wealth Management may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. RJL Wealth Management's limited use broker/dealer, Lucia Securities, LLC has arrangements with First Allied Securities, Inc. to share in the distribution fees related to the sale of certain non-traded Real Estate Investment Trusts. These amounts are fully disclosed to clients at the point of sale. Investors do not have additional costs, fees or charges as a result of these compensation arrangements. The associated persons endeavor at all times to put the interest of the clients first as a part of their fiduciary duty. However, clients should be aware that the receipt of additional compensation through 12b-1 fees, servicing fees, nominal sales awards and/or expense reimbursements creates a conflict of interest that may impact the judgment of the associated persons when making advisory recommendations.

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

Compensation Paid for Client Referrals

Relationship with Raymond J. Lucia Companies, Inc.

RJL Wealth Management has entered into a solicitor arrangement with Raymond J. Lucia Companies, Inc. (RJL Companies) who will refer clients that may be candidates for investment advisory services, to RJL Wealth Management.

RJL Companies is owned and operated by Raymond J. Lucia, Sr. who is also an investment advisor representative with RJL Companies. Raymond J. Lucia, Sr. is the host of The Ray Lucia Show. Richard Plum, RJL Wealth Management's Director of Financial Planning and an investment advisor representative, appears on The Ray Lucia Show which is broadcast daily on the Business Talk Radio Network and on cable television by ALN and Biz TV.

Raymond J. Lucia, Sr. is also a member and controlling person of LLK Insurance Brokerage Services, LLC, an insurance agency affiliated with RJL Wealth Management.

RJL Wealth Management has agreed to compensate RJL Companies for client referrals. Compensation to RJL Companies is not dependent on the client entering into an advisory agreement with RJL Wealth Management. Compensation to RJL Companies is a flat fee and is not based on a percentage of the advisory fee charged by RJL Wealth Management to clients referred by RJL Companies. The arrangement between RJL Wealth Management and RJL Companies is in compliance with federal and state regulations (as applicable) specific to the payment of compensation to referring parties. The solicitation/referral fee is paid pursuant to a written agreement retained by both RJL Wealth Management and RJL Companies. RJL Companies is required to provide prospective RJL Wealth Management clients with a copy of RJL Wealth Management's disclosure document and a solicitor disclosure statement at the time of solicitation. Raymond J. Lucia, Sr. may discuss investment products that may be available on a commission vs. a fee basis; however he is not permitted to offer clients any investment advice on behalf of RJL Wealth Management. The advisory fee charged to clients referred by RJL Companies is not higher than fees charged to other RJL Wealth Management clients and therefore is not increased as a result of compensation being shared by RJL Wealth Management with RJL Companies.

The Bucket Strategy Advisor Network

RJL Wealth Management may contract with certain investment advisor representatives (BSAN IARs) of First Allied Advisory Services, Inc., First Allied Securities, Inc., or other unaffiliated investment advisors (BSAN RIA) to become part of the Bucket Strategy Advisor Network (BSAN). These BSAN IARs are generally also registered representatives of First Allied Securities, Inc. (FASI), a registered broker/dealer. In this separate capacity, they may sell securities to clients for commissions in addition to providing advisory services. As registered representatives of FASI the BSAN IAR's and IAR's of RJL Wealth Management are required to use the services of FASI and FASI's approved clearing broker-dealers when acting in their capacity as registered representatives. FASI has a wide range of approved securities products for which FASI performs due diligence in selecting. Registered representatives of FASI are required to adhere to these products when implementing securities transactions through FASI. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

BSAN IARs are selected for the network after a due diligence review process. The IAR will pay a program fee for training and ongoing consulting services. The IAR will be trained to use RJLWVM's proprietary planning method, which creates an asset allocation designed to meet the client's long term investment objectives through the use of various products, including but not limited to managed accounts, alternative

investments, and insurance products. BSAN IARs will also receive client referrals from RJLWM, but may use the BSAN training with any client. Client referrals may initially originate from referrals received through a solicitor arrangement with RJL Companies as outlined above. For alternative investments and insurance products, RJLWM may limit the products available to a subset of those approved for broker/dealer use. A portion of all fees earned by a BSAN IAR will be paid to RJLWM. For accounts introduced into a proprietary management strategy, RJLWM will receive a portion of the platform fees for its services. First Allied Advisory Services, First Allied, and AEAM are not affiliated with Ray Lucia, Sr., RJL Companies, or RJLWM. RJLWM has entered into a contractual agreement with First Allied Securities, Inc., and First Allied Advisory Services, Inc. to provide certain services attendant to the BSAN program.

The arrangement between RJL Wealth Management and the BSAN IAR is in compliance with federal and state regulations (as applicable) specific to the payment of compensation to referring parties. The solicitation/referral fee is paid pursuant to a written agreement retained by both the BSAN IAR and RJLWM. RJLWM is required to provide prospective BSAN clients with a copy of the BSAN IAR's Form ADV Part 2A and a solicitor disclosure statement at the time of solicitation.

The advisory fee charged to clients referred by RJLWM to BSAN IAR may be higher than fees charged to other RJL Wealth Management clients and therefore may be increased as a result of compensation being shared by BSAN IAR with RJLWM.

Item 15 – Custody

Custody has been defined as having access or control over client funds and/or securities, but does **not** include the ability to execute transactions in client accounts. Custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody for purposes of the Investment Advisers Act of 1940 and must ensure proper procedures are implemented.

Occasionally, Investment Advisor Representatives may accept stock certificates from clients and forward them to the custodian for deposit in the client's account. Because of this, we meet the regulatory definition of having custody of client securities are required to hire an independent accounting firm to review our procedures with these certificates. This audit is conducted each year.

RJL Wealth Management has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client or the client's independent representative at least quarterly. Clients should carefully review those statements. When clients have questions about their account statements, they should contact RJL Wealth Management or the qualified custodian preparing the statement.

Any checks for deposit into a client's account must be made payable to the custodian.

Item 16 – Investment Discretion

Upon receiving written authorization from the client, RJL Wealth Management may provide discretionary investment advisory services for client accounts. Written authorization from the client must be granted in the contract for services.

Generally speaking, when discretionary authority is granted, RJL Wealth Management is given the authority to determine the type of securities and the amount of securities that can be bought or sold for the client portfolio without obtaining the client's consent for each transaction. Written authorization, including limitations thereof, will be provided by the client in the investment advisory agreement. Depending on the program, RJL Wealth Management may or may not have discretion over a client's assets. In some programs, RJL Wealth Management will not have discretion, but a third party investment advisor, such as Advanced Equities Investment Management, Inc., will be provided with discretion.

When discretion is granted, clients maintain the ability to impose reasonable restrictions on the management of their accounts.

Item 17 – Voting Client Securities

We will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our Firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our Firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact our Firm.

Independent managers are responsible for voting all client proxies received from accounts through the RJL Wealth Management Program. Clients need to refer to the respective Independent Manager's disclosure brochure regarding the Independent Manager's proxy voting process and procedures. Further, clients have the ability to opt-out of receiving proxies or request proxy materials be sent electronically.

Item 18 – Financial Information

This item is not applicable to RJL Wealth Management's brochure. RJL Wealth Management does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, RJL Wealth Management is not required to include a balance sheet for its most recent fiscal year. RJL Wealth Management is not subject to a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Finally, RJL Wealth Management has not been the subject of a bankruptcy petition at any time.

Customer Privacy Policy Notice

RJLWM collects information about customers to facilitate the servicing of customer account(s). RJLWM may receive non-public personal information about customers from any of the following sources:

- Information we receive from customers on applications or other forms, including but not limited to customer name, address, social security number, income, income tax rate, net worth, financial objectives, risk tolerance and the names of beneficiaries
- Information we receive or obtain from other sources, including:
- Information collected and developed by issuers of securities customers own, in order to administer and process transactions;
- Information about customer financial products and services transactions with First Allied;
- If a customer applies for insurance products, RJLWM may collect health information provided to us by the customer

RJLWM collects information about customers to develop financial plans and assist with advisory services for our customers. This customer information may include:

- Information about existing insurance policies, wills, mortgages and tax returns;
- Personal and household information such as spending habits, financial goals and other records concerning customer financial condition

RJLWM employees use information about customers to respond to customer needs and to provide information about specific products in which customers may have an interest. RJLWM instructs our employees to use strict standards of care in handling the personal and confidential customer information. RJLWM reminds employees regularly of their obligations regarding the confidentiality of customer information. Additionally, as a security measure, RJLWM has in its employ an outside bonded company to shred all sensitive documents.

Customer Service

RJLWM communicates with customers on a regular basis to provide requested services. Regarding issues relating to their account we reply via telephone, email, US Postal Service or overnight service in accordance with the customer's wishes.

Legal Disclaimer

RJLWM makes every effort to preserve customer privacy. However, we may need to disclose personal information upon regulatory demand or when required by law wherein we have a good-faith belief that such action is necessary to comply with a current judicial proceeding, a court order or legal process served on RJLWM. RJLWM does not disclose customer information to nonaffiliated third parties except as permitted or required by law. RJLWM DOES NOT sell customer personal information to third parties.

Third Party Intermediaries

RJLWM provides information about current or former customers from the sources described above to parties outside RJLWM only as described below:

- To First Allied, a registered broker/dealer and registered investment adviser, in order to process activities for customer investment accounts;
- To the clearing firm for First Allied, Pershing LLC, in order to process activities for customer investment accounts, the clearing firm handles all custody functions, processes and settles trades, transmits 1099 reporting to the IRS, sends monthly statements of customer accounts, etc.;
- These institutions are prohibited by agreement from using information about customers except for the narrow purpose of servicing the customer accounts;
- To other companies as necessary to process customer business. Third parties in this category, like those in the category above, must limit their use of the information to the purpose for which it was provided;
- Where required by law or regulation, e.g. responses to a subpoena, court order or regulatory demand;
- As authorized by the customer. The customer may direct us, for example, to send customer account statements and trade confirmations to a third party or request bank wire transmissions;
- As otherwise authorized, permitted by law or the customer. For example, the law permits us to respond to requests for information about the customer from a consumer-reporting agency.

Business Transitions

In the event RJLWM goes through a business transition, such as a merger, being acquired by another company, or selling a portion of its assets, customer personal information will, in most instances, be part of the assets transferred.

Choice to Opt Out

If for any reason at any time in the future, RJLWM finds it necessary to disclose any customer personal information in a way that is inconsistent with this policy, we will give customers advance notice of the proposed change and the opportunity to opt out of such disclosure. Customers must be given the opportunity and means to opt out of (or prevent) such disclosure. A copy of the revised policy will accompany any notification of change.

Security

RJLWM considers the protection of sensitive information to be a corner-stone of customer trust and a sound business practice. We employ extensive physical, electronic and procedural controls and we regularly adapt these controls to respond to changing requirements and advances in technology. RJLWM

takes every precaution to protect customer information. When customers submit sensitive information, their information is protected.

RJLWM implements our procedural controls to protect customer information both on and offline. For information that is gathered online we use SSL encryption to protect sensitive information. Offline, customer information, not just the sensitive information mentioned above, is restricted in our offices. RJLWM uses procedural, physical and electronic system safeguards to store and secure information about customers in compliance with federal standards. Our systems protect customer information from unauthorized access, alteration and destruction. Access is permitted only to those individuals within our organization who need the information to perform their job responsibilities. Furthermore, RJLWM employees are kept up-to-date on our security and privacy practices. Finally, the servers that store personally identifiable information are in a secure environment in a locked facility.

Correcting/Updating Personal Information

Customers may call or write RJLWM in order to update or correct their information. In certain circumstances, the customer will receive a letter from First Allied confirming the change. Customers should keep this confirmation of change letter and all other important documents in a safe and secure location.

Notification of Changes

RJLWM reviews our privacy policy at least annually and sends it to all current customers each year at the same time. Should we deem it necessary to materially alter our privacy policy, we will post those changes to our website at www.rjlwm.com and send an updated privacy policy to all of our existing customers so they are always aware of the information we collect, how we use it, and under what circumstances, if any, we disclose it. Customers may contact RJLWM at any time for a copy of our privacy policy.

Former Customers of RJLWM

If a customer closes an account with RJLWM, we will continue to operate in accordance with the principles defined under the RJLWM Privacy Policy.

Federal Law Requirements

The Securities and Exchange Commission adopted Regulation S-P, privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act which Congress enacted in November of 1999. A financial institution must provide its customers with a notice of its privacy policies and practices.

Contact Information

If customers have questions or concerns regarding this statement, they should contact Theresa Ochs, Chief Compliance Officer, at 619.497.5555, ext. 1050.