

Firm Brochure

(Part 2A of Form ADV)

FILOMENO WEALTH MANAGEMENT, LLC

80 SOUTH MAIN STREET

WEST HARTFORD, CT 06107

(860) 561-0020

(860) 561-4347 (fax)

www.filomenowealth.com

kjl@filomenowealth.com

This brochure provides information about the qualifications and business practices of Filomeno Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at: (860) 561-0020, or by email at: kjl@filomenowealth.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 Filomeno Wealth Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov

March 31, 2011

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

If you were previously a client of the Firm, this brochure dated March 31, 2011 is a new document prepared according to new regulations and rules. As such, this document is materially different in structure and requires certain new information that the Firm’s previous brochure did not require. In the future, this item will discuss only specific material changes that the Firm makes to its brochure and provide you with a summary of such changes. The Firm will also reference the date of its last annual update of its brochure.

This is the Firm’s first brochure in the new format and, therefore, the Firm has not made any material changes. The Firm reviews and updates its brochure at least annually to make sure that it remains current.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (860) 561-0020 or by email at: kjl@filomenowealth.com.

Table of Contents

Material Changes	i
Annual Update	i
Material Changes since the Last Update	i
Full Brochure Available	i
Advisory Business	1
Firm Description.....	1
Principal Owners.....	1
Types of Advisory Services.....	1
Tailored Relationships	2
Types of Agreements.....	2
Investment Management Agreement	2
Investment Consulting Agreement	3
Investment Management	3
Termination of Agreement	3
Fees and Compensation	4
Description	4
Fee Billing	5
Other Fees.....	5
Expense Ratios.....	5
Performance-Based Fees	5
Sharing of Capital Gains	5
Types of Clients	6
Description.....	6
Account Minimums.....	6
Methods of Analysis, Investment Strategies and Risk of Loss	6
Methods of Analysis.....	6
Investment Strategies	6
Risk of Loss	7
Disciplinary Information	8
Legal and Disciplinary.....	8

Other Financial Industry Activities and Affiliations	8
Financial Industry Activities	8
Affiliations	8
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Code of Ethics.....	9
Participation or Interest in Client Transactions.....	9
Personal Trading.....	9
Brokerage Practices.....	9
Selecting Brokerage Firms.....	9
Best Execution	10
Order Aggregation	11
Review of Accounts	11
Periodic Reviews	11
Review Triggers	11
Regular Reports.....	11
Client Referrals and Other Compensation	12
Incoming Referrals.....	12
Referrals Out	12
Other Compensation.....	12
Custody.....	14
Account Statements.....	14
Performance Reports.....	14
Investment Discretion.....	14
Discretionary Authority for Trading.....	14
Limited Power of Attorney.....	15
Voting Client Securities	15
Proxy Votes	15
Financial Information	15
Financial Condition	15
Business Continuity Plan	15
General	15

Disasters	15
Information Security Program.....	16
Information Security	16
Privacy Notice.....	16
Brochure Supplement (Part 2B of Form ADV)	17
Education and Business Standards	17
Professional Certifications	17
Kathleen M. Christensen, CPA / PFS	19
Elizabeth A. DeBassio, CPA / PFS	20
Patricia E. Small, CPA / PFS	20
Michael A. Tedone, CPA / PFS.....	21
Richard E. Thibodeau, CPA / PFS; JD.....	22

Advisory Business

Firm Description

Filomeno Wealth Management, LLC, (the “Firm”) was founded in 2007.

The Firm provides investment management services to individuals, pension and profit sharing plans, trusts, estates and charitable organizations. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial information and client concerns, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning. In general, the Firm seeks to provide its clients with maximum after-tax, risk-adjusted returns over long term time horizons consistent with clients' investment objectives.

The Firm does not act as a custodian of client assets. The client always maintains asset control. The Firm places investment trades for clients under a limited power of attorney.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

The Firm will recommend other professionals (e.g., lawyers, accountants, insurance agents, etc.) to assist the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

Principal Owners

The Firm is organized as a Connecticut limited liability company. The Firm is owned by Filomeno & Company, PC, which in turn is owned by the following individuals: Thomas J. Filomeno; James G. Russell; Judith E. Saunders; Michael A. Tedone; and George M. Thomson. Michael A. Tedone is the Managing Director of the Firm.

Types of Advisory Services

The Firm provides investment supervisory services, also known as investment management services (“Investment Management Services”). This means that the Firm provides its clients with regular and continuous investment advice which is tailored to their specific investment needs.

On more than an occasional basis, the Firm furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and retirement planning services.

As of December 31, 2010, the Firm manages approximately \$132,000,000 in assets for 68 clients. Approximately \$79,000,000 is managed on a

discretionary basis and \$53,000,000 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in a written Investment Policy Statement (the "IPS"). An IPS is created and updated as facts and circumstances change to establish a clear understanding between the client and the Firm as to the investment objectives applicable to the client. The IPS will establish reasonable expectations, objectives and guidelines in the investment of the client's assets; set forth an investment structure identifying permitted asset classes, initial target allocations and permissible ranges of deviation from initial target allocations for the portfolio; encourage effective communication between the client and the advisors of the Firm and create the framework for a well-diversified asset mix that can be expected to generate acceptable long-term returns at a level of risk suitable to the client. Clients may impose reasonable restrictions on investing in certain securities or types of securities.

Types of Agreements

The following agreements are used by the Firm and its clients:

- Discretionary Investment Management Agreement; or
- Non-Discretionary Investment Management Agreement; or
- Investment Consulting Agreement.

Agreements may not be assigned without client consent. Transactions that do not result in a change of actual control or management of the Firm shall not be considered an assignment.

Investment Management Agreement

Most clients hire the Firm to manage their investment assets in order to obtain continuous in-depth advice and life planning. Many aspects of the client's financial affairs are reviewed and documented in the IPS. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The Firm can manage a client's investment assets on either a discretionary or non-discretionary basis. Please see "**Investment Discretion**" for a description of investment discretion.

In general, the Firm seeks to provide maximum after-tax, risk-adjusted returns over long term time horizons consistent with clients' investment objectives, which investment objectives take into account clients' desired risk levels, investment constraints and flexibility. The Firm pursues its clients' investment objectives by investing client accounts in certificates of deposit, equities, fixed

income and international securities through mutual and exchange traded funds.

Investment Consulting Agreement

A financial plan is designed to help the client with all aspects of financial planning and investment consulting without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a review of the client's net worth statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes; retirement and estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations may be provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

Investment Management

Assets are invested primarily in no-load mutual funds and exchange-traded funds. Investments may also include certificates of deposit and exchange traded funds. Should a client desire to own, buy or sell individual securities, the Firm will not be responsible for their selection, but may, nonetheless, provide related investment services to the client, including developing initial asset allocation recommendations taking the individual securities into consideration.

Initial public offerings (IPOs) are not available through the Firm.

Termination of Agreement

A Client may cancel any of the aforementioned agreements within five (5) business days of execution of the agreement without penalty. A Client may terminate any of the aforementioned agreements upon thirty (30) days by notifying the Firm in writing. The Firm will refund any unearned portion of the fee for service paid by the client.

The Firm may terminate any of the aforementioned agreements upon thirty (30) days by notifying the client in writing. The Firm will refund any unearned portion of the fee for service paid by the client.

Upon notice of termination, the Firm will await further instructions from the client as to what steps client requests to liquidate and / or transfer the portfolio and remit the proceeds. When the Firm receives instructions from the client, the Firm will notify the client's custodian, broker-dealer, mutual fund sponsors and others to liquidate and / or transfer all or a portion of the portfolio consistent with the client's instructions.

Fees and Compensation

Description

In general, the Firm bases its investment management fees on a percentage of assets under management as set forth in the Investment Management Agreement signed by the client and the Firm. In limited circumstances, under the Investment Consulting Agreement, the Firm will base its fees on hourly charges, or, occasionally, fixed fees.

Client shall compensate the Firm for its services in accordance with the Firm's fee schedule below. The fee schedule may be modified or changed by the Firm upon 30 days written notice to the client.

<u>Assets Under Management</u>	<u>Annual Fees</u> (Billed/Deducted Quarterly)
First \$500,000	1.00%
Next \$500,000	0.80%
Greater than \$1,000,000	0.60%

Fees are negotiable and the Firm may in its sole discretion waive its fees with respect to any client.

The Firm's fee is separate from and does not include brokerage commissions, dealer spreads and other costs associated with the purchase or sale of securities, custodial fees, interest, taxes and other account expenses. These expenses shall be the responsibility of the client. Account assets invested in shares of mutual and exchange-traded funds ("investment funds") will be included in calculating the value of the account for purposes of computing the Firm's fees and the same assets also will be subject to fees and expenses assessed by the investment funds and indirectly paid by a client.

The fee for a financial plan is based on the hourly billing rate and the time spent by the advisor performing services on behalf of the client. Hourly rates currently range from \$175 to \$325. Fees may also be charged on a fixed fee basis. The exact fees charged for these services will be specified in a client agreement executed before service begins. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

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

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that the custodian debits the client account as previously authorized before the three-month billing period has begun. If a client opens an account in the middle of a quarter, the client may be charged pro rata for the remainder of the quarter. Fees are deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Financial plans are billed monthly as fees are incurred with payment due upon billing.

Other Fees

The Firm's fee is separate from and does not include brokerage commissions, dealer spreads and other costs associated with the purchase or sale of securities, custodial fees, interest, taxes and other Account expenses. These expenses shall be the responsibility of the client. Client acknowledges that Account assets invested in shares of investment funds will be included in calculating the value of the Account for purposes of computing the Firm's fees and the same assets also will be subject to fees and expenses assessed by the investment funds and indirectly paid by a client.

The Firm, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual and exchange traded funds charge a management fee for their services as investment managers. The management fee is included in the fund's expense ratio. For example, an expense ratio of 0.50 means that the fund company charges 0.5% of the amount invested in the fund for their services. These fees are in addition to the fees paid by you to the Firm.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

The Firm does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

The Firm generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations.

Client relationships vary in scope and length of service.

Account Minimums

The Firm does impose a minimum account size of \$500,000. This minimum account size may be waived or reduced by the Firm in its sole discretion.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Our security analysis and recommendations are generally limited to mutual and exchange traded funds. We review analytical data on these funds using information available through Morningstar Advisor Workstation, fund prospectuses, Schwab's Mutual Fund Marketplace and articles from a variety of industry publications. In addition, the Firm has developed search criteria it uses in the selection of specific mutual and exchange traded funds when conducting searches. We utilize both passively (index funds) and actively managed funds. In selecting securities we focus on funds that have low expense ratios, are no-load, are tax efficient, have continuity of management for actively managed funds and provide a correlation benefit as part of a managed portfolio.

Investment Strategies

The primary investment strategy for a specific client is based upon the objectives identified by the client during consultations. Each client signs an IPS that documents their objectives and their agreed upon investment strategy.

The Firm will develop a strategic and tactical asset allocation for each client based upon the client's investment objectives and other information documented in the IPS.

Our investment process is based upon the principle that investing is generally a long-term proposition. The Firm focuses on factors that can be controlled such as minimizing trading costs, taxes and management fees; allocating investments among stocks, bonds and cash based on a strategic written plan; and utilizing diversified investments to implement the plan. The investment strategy also strives for a low portfolio turnover, but still rebalancing asset allocation to adhere to plan and replacing investments no longer meeting our selection criteria. The Firm also monitors asset allocation and takes tactical

advantage of asset class or industry sector buying or selling opportunities and coordinates year-end tax planning with investment activity.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The Firm and its investment adviser representatives have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

The principal business of the Firm is providing Investment Management Services. The Firm is owned by Filomeno & Company, PC, Certified Public Accountants and Business Advisors. Advisors associated with the Firm are licensed as CPA's of Filomeno & Company, PC, and spend a percentage of their time on such other activities.

Affiliations

The Firm is owned by Filomeno & Company, PC, Certified Public Accountants and Business Advisors. Filomeno & Company, PC provides certain of its professional and administrative employees to perform Investment Management and Investment Consulting Services. Certain clients of the Firm are also clients of Filomeno & Company, PC. The Firm compensates Filomeno & Company, PC a fee for services.

The Firm is an affiliate of Filomeno & Company, PC. The employees of Filomeno & Company, PC may recommend the Firm to accounting clients in need of Investment Management Services. The Firm may recommend Filomeno & Company, PC to clients in need of accounting services. Accounting services provided by Filomeno & Company, PC are separate and distinct from Investment Management Services of the Firm and are provided for separate and typical compensation. No Firm client is obligated to use Filomeno & Company, PC for any accounting services, and, conversely, no accounting client is obligated to use the Investment Management Services provided by the Firm.

Certain clients of the Firm are also clients of Filomeno & Company, PC and are billed separately for services provided by Filomeno & Company, PC, such as tax planning and preparation. As previously stated, all of the investment advisory representatives of the Firm are also associates of Filomeno & Company, PC,. In most cases, it is clear whether the service being provided relates to the accounting and tax services provided by the CPA firm or Investment Management Services provided by the Firm. If a service can be construed as investment related, the investment advisory representatives of the Firm will assume the service is investment related in order to benefit the client from a fee perspective.

In certain instances, employees of Filomeno & Company, PC act as trustee of clients of the Firm. This presents a conflict of interest as Filomeno & Company, PC has an incentive to choose the Firm to manage the portfolio of the trust.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The investment adviser representatives of the Firm have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The Firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

The Firm and its investment adviser representatives may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Firm *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of the Firm is Kathleen M. Christensen. She reviews all employee trades each quarter. Her trades are reviewed by Michael A. Tedone, Managing Director of the Firm. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets or adversely affect the Firm's clients.

Brokerage Practices

Selecting Brokerage Firms

The Firm does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. The Firm recommends custodians based primarily on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

The Firm does not maintain custody of client assets that the Firm manages, although the Firm may be deemed to have custody of client assets if a client gives the Firm the authority to withdraw assets from the client's account. A client's assets must be held at a "qualified custodian," generally a broker-dealer or bank. The Firm recommends that clients use Charles Schwab &

Co., Inc. (“Schwab”), a registered broker-dealer, member SIPC, as the qualified custodian. The Firm is independently owned and operated and not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy or sell securities when instructed to do so. While the Firm recommends that the client use Schwab as custodian/broker, the client will decide whether to do so and will open an account with Schwab by entering into an account directly with it. The Firm does not open the account for the client, although the Firm does assist the client in doing so. If a client does not wish to place his assets with Schwab, the Firm may not be able to manage the client’s account. Not all advisors require the use of a particular broker-dealer or custodian selected by the advisor. Even though a client’s account is maintained at Schwab, the Firm can still use other brokers to execute trades for a client’s account as described below.

The Firm seeks to recommend a custodian/broker who will hold a client’s assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. The Firm considers a wide range of factors, including, among others:

1. Capability to execute, clear, and settle trades (buy and sell securities for a client’s account)
2. Breadth of available investment products (stocks, bonds, mutual funds, exchange traded funds (ETFs), etc)
3. Availability of investment research and tools that assist the Firm in making investment decisions
4. Quality of services
5. Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate prices
6. Reputation, financial strength and stability
7. Prior service to the Firm and other clients
8. Availability of other products and services that benefit the Firm.

Best Execution

The Firm reviews the execution of trades at each custodian on a periodic basis. The review requirements are documented in the Firm’s *Compliance Manual*. Trading fees charged by the custodians are also reviewed on a quarterly basis. The Firm does not receive any portion of the trading fees.

In addition to commissions, Schwab charges the client a flat dollar amount as a “prime broker” or “trade away” fee for each trade that the Firm has executed by a different broker-dealer but where the securities bought or where the funds from the securities sold are deposited (settled) into the client’s Schwab account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in

order to minimize the client's trading costs, the Firm has Schwab execute most trades for a client's account. The Firm has determined that having Schwab execute most trades is consistent with the Firm's duty to seek "best execution" of a client's trades.

Order Aggregation

Most trades are of mutual or exchange-traded funds where trade aggregation does not result in any client benefit.

Transactions for each client generally will be effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. The Firm may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Firm'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 generally be averaged as to price and allocated among the Firm's clients pro rata to the purchase and sale orders placed for each client on any given day. The Firm will not receive any additional compensation as a result of the aggregation of orders.

Review of Accounts

Periodic Reviews

A detailed review is performed at least annually and includes an analysis of each portfolio's asset composition, style analysis, credit quality and sector weightings. Clients are serviced by a team of at least 3 individuals. The senior member establishes the client relationship, plans the engagement, reviews the investment plan and makes recommendations. The associate member supports the senior member by performing portfolio and investment analysis. The investment group administrator prepares reports and handles administrative functions. The number of accounts assigned to each senior member will not exceed fifty.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, or material changes in a client's own situation.

Regular Reports

Clients will receive a comprehensive monthly statement from Schwab Advisor Services™ showing the change in account value, asset composition, income summary, investment holdings and transaction detail. In addition, cost basis will be provided for taxable accounts. Annually clients will be provided a year-end gain/loss report and Form 1099. Clients will receive detailed account performance reports on a quarterly basis from the Firm.

Client Referrals and Other Compensation

Incoming Referrals

Employees of Filomeno & Company, PC are compensated for referring clients to the Firm for Investment Management Services. The compensation paid is equal to 10% of first year fees collected. This program does not apply to engagements with projected annual fees of less than \$1,000 or non-recurring services.

Referrals Out

The Firm does not accept referral fees or any form of remuneration from third parties when a prospect or client is referred to them.

Other Compensation

Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like the Firm. They provide the Firm and its clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those help the Firm manage or administer client accounts while others help the Firm manage and grow its business. Schwab's support services generally are available on an unsolicited basis (the Firm does not have to request them) and at no charge to the Firm as long as a total of at least \$10 million of the Firm's clients' assets are maintained in accounts at Schwab. If the Firm's clients collectively have less than \$10 million in assets at Schwab, Schwab may charge the Firm quarterly service fees of \$1,200.

Services That Benefit the Firm's Clients. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which the Firm might not otherwise have access or that would require a significantly higher minimum initial investment by the Firm's clients. Schwab's services described in this paragraph generally benefit the client and the client's account.

Services That May Not Directly Benefit Clients. Schwab also makes available to the Firm other products and services that benefit the Firm but may not directly benefit the client or the client's account. These products and services assist the Firm in managing and administering the clients' accounts. They include investment research, both Schwab's own and that of third parties. The Firm may use this research to service all or a substantial number of the clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that

1. Provide access to client account data (such as duplicate trade confirmations and account statements)
2. Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
3. Provide pricing and other market data
4. Facilitate payment of the Firm's fees from client accounts
5. Assist with back office functions, recordkeeping and client reporting

Services That Generally Benefit Only the Firm. Schwab also offers other services intended to help the Firm manage and further develop its business enterprise. These services include:

1. Educational conferences and events
2. Consulting on technology, compliance, legal and business needs
3. Publications and conferences on practice management and business succession
4. Access to employee benefits providers, human capital consultants and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to the Firm. Schwab may also discount or waive its fees for some of these services or pay all or a portion of a third party's fees. Schwab may also provide the Firm with other benefits, such as occasional business entertainment of our personnel.

The Firm's Interest in Schwab's Services. The availability of these services from Schwab benefits the Firm because the Firm does not have to produce or purchase them. The Firm doesn't have to pay for Schwab's services so long as the Firm's clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon the Firm committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give the Firm an incentive to recommend that clients maintain accounts with Schwab based on the Firm's interest in receiving Schwab's services that benefit the Firm's business rather than based on a client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. The Firm believes, however, that the selection of Schwab as custodian and broker is in

the best interests of the Firm's clients. The Firm's selection is primarily supported by the scope, quality and price of Schwab's services and not Schwab's services that benefit only the Firm. As of December 31, 2010, the Firm has over \$132 million in client assets under management, and the Firm does not believe that recommending clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

In order for the Firm to provide qualified plan clients with Investment Management Services, the Firm has a relationship with Retirement Alliance, Inc., a retirement plan record-keeper and service provider. The Firm and Retirement Alliance, Inc. are not related and are independently owned and managed. The Firm will recommend that a qualified plan client choose Retirement Alliance, Inc. as its record-keeper, although the client is not obligated to do so. Retirement Alliance, Inc. provides the Firm with access to technology and administrative support that may benefit the Firm's clients.

Custody

Account Statements

Schwab maintains actual custody of the client's assets. Clients will receive account statements directly from Schwab at least monthly. They will be sent to the email or postal mailing address the client provided to Schwab. Clients should carefully review those statements promptly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by the Firm.

Investment Discretion

Discretionary Authority for Trading

The Firm accepts discretionary authority to manage securities accounts on behalf of clients. The Firm has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold if a client and the Firm have signed a Discretionary Investment Management Agreement.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

If the client wants to retain the ability to approve the securities to be bought or sold, and the amount of the securities to be bought or sold, prior to the

execution of a transaction, the client and the Firm would execute a Non-Discretionary Investment Management Agreement.

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

Limited Power of Attorney

A limited power of attorney provided by the custodian is a trading authorization for this purpose. Clients sign a limited power of attorney so that the Firm may execute the trades that clients have approved.

Voting Client Securities

Proxy Votes

The Firm does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, the Firm will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

The Firm does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because the Firm does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

Business Continuity Plan

General

The Firm has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat,

nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Information Security Program

Information Security

The Firm maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

The Firm is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

We require the Firm's investment advisor representatives to be either a Certified Public Accountant ("CPA"), Certified Financial Planner ("CFP"), Personal Financial Specialist ("PFS") or Attorney

with a minimum of two years of experience giving investment, tax and financial planning advice. In addition, each investment adviser representative must pass The Uniform Investment Adviser Law Examination (Series 65) or such other examinations as may be required in states the Firm maintains a place of business.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Public Accountant (CPA) 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.

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 62,000 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 10 hours over a two-day period, 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.

Personal Financial Specialist (PFS): A PFS is a certified public accountant (CPA) who also offers financial planning services. The title is authorized by the American Institute of Certified Public Accountants (AICPA) after the completion of a review process that involves an exam and recommendations from Clients and colleagues. The designation also requires a minimum of three years of financial planning experience.

Kathleen M. Christensen, CPA / PFS

Born 1964

Educational Background:

- University of Hartford – 1993, MBA
- Fairfield University – 1986, BS Accounting

Business Experience:

- Chief Compliance Officer, Filomeno Wealth Management, LLC, 1/2011 to Present
- Investment Adviser Representative, Filomeno Wealth Management, LLC, 2007 to Present
- Manager, Filomeno & Company, PC Certified Public Accountants and Business Advisors, 2008 to Present
- Supervisor / Senior, Filomeno & Company, PC Certified Public Accountants and Business Advisors, 2004 to 2008
- Director and Controller, CIGNA Healthcare – Assistant Director, CIGNA Investment Management – Assistant Director, CIGNA Healthcare - CIGNA Corporation, 1990 to 1998
- Senior, Deloitte & Touche, LLP, 1986 to 1990

Additional Compensation: None

Supervision:

Ms. Christensen is supervised by Mr. Michael A. Tedone, Managing Director. He reviews Ms. Christensen's work through frequent office interactions as well as remote interactions.

Mr. Michael Tedone's contact information:
(860) 561-0020

mat@filomenowealth.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Elizabeth A. DeBassio, CPA / PFS

Born 1973

Educational Background:

- Bentley College – 2002, MS Personal Financial Planning
- College of the Holy Cross – 1995, BA Economics/Accounting

Business Experience:

- Investment Adviser Representative, Filomeno Wealth Management, LLC, 2007 to Present
- Manager, Filomeno & Company, PC Certified Public Accountants and Business Advisors, 2008 to Present
- Supervisor / Senior, Filomeno & Company, PC Certified Public Accountants and Business Advisors, 2002 to 2008
- CPA Supervisor, Brown & Brown, LLP, 2000 to 2002
- Personal Financial Advisor, Former U.S. Ambassador to Austria, 1997 to 2000
- Auditor, Deloitte & Touche, LLP, 1995 to 1997

Additional Compensation: None

Supervision:

Mrs. DeBassio is supervised by Mr. Michael A. Tedone. He reviews Mrs. DeBassio's work through frequent office interactions as well as remote interactions.

Mr. Tedone's contact information:

(860) 561-0020

mat@filomenowealth.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Patricia E. Small, CPA / PFS

Born 1956

Educational Background:

- University of Akron in Ohio – 1978, BS Accounting

Business Experience:

- Investment Adviser Representative, Filomeno Wealth Management, LLC, 2011 to Present
- Manager, Filomeno & Company, PC Certified Public Accountants and Business Advisors, 2011 to Present
- CPA, Patricia E. Small, LLC, 1997 to 2010
- Partner, Carter, Small & Hayes P.C., 1989 to 1997
- Tax Manager, Cahill, Larkin & Company, 1983 to 1989
- Senior, Arthur Andersen & Co., 1978 to 1982

Additional Compensation: None

Supervision:

Ms. Small is supervised by Mr. Michael A. Tedone. He reviews Ms. Small's work through frequent office interactions as well as remote interactions.

Mr. Tedone's contact information:
 (860) 561-0020
 mat@filomenowealth.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Michael A. Tedone, CPA / PFS

Born 1959

Educational Background:

- Bryant College – 1981, BS Business Administration

Business Experience:

- Managing Director, Filomeno Wealth Management, LLC, 1/2011 to Present
- Chief Compliance Officer, Filomeno Wealth Management, LLC, 2007 to 12/2010
- Investment Adviser Representative, Filomeno Wealth Management, LLC, 2007 to Present
- Vice President, Filomeno & Company, PC Certified Public Accountants and Business Advisors, 1988 to Present
- Staff, Filomeno & Company, PC Certified Public Accountants and Business Advisors, 1982 to 1988

Additional Compensation: None

Supervision:

As disclosed, Mr. Tedone is the senior officer associated with the Firm. As such, Mr. Tedone is the senior officer responsible for all supervisory activities of the Firm.

Mr. Tedone's contact information:
(860) 561-0020
mat@filomenowealth.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Richard E. Thibodeau, CPA / PFS; JD

Born 1947

Educational Background:

- UCONN School of Law – 1978, JD
- United States Military Academy – 1970, BS Engineering

Business Experience:

- Investment Adviser Representative, Filomeno Wealth Management, LLC, 2007 to Present
- Managing Director, Filomeno Wealth Management, LLC, 2007 to 12/2010
- Principal, Filomeno & Company, PC Certified Public Accountants and Business Advisors, 11/2004 to Present
- Richard E. Thibodeau, CPA / PFS, 1997 to 2004
- CPA, Thibodeau & Rollins, LLC, 1994 to 1997
- Partner, Coopers & Lybrand, 1986 to 1992

Additional Compensation: None

Supervision:

Mr. Thibodeau is supervised by Mr. Tedone. He reviews Mr. Thibodeau's work through frequent office interactions as well as remote interactions.

Mr. Tedone's contact information:
(860) 561-0020
mat@filomenowealth.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None