

# Buffalo First Wealth Management, LLC Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of Buffalo First Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at (716) 861-7371 or by email at: [krconnolly@buffalofirstllc.com](mailto:krconnolly@buffalofirstllc.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 Buffalo First Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Buffalo First Wealth Management, LLC's CRD number is: 168937*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

As of July 10, 2014, Buffalo First Wealth Management, LLC has the following material changes to report. This list summarizes changes to policies, practices or conflicts of interests only.

- Allen Clifford Dembski is now Chief Operations Officer/Partner, an investment adviser representative with Buffalo First Wealth Management, LLC

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

Buffalo First Wealth Management, LLC (hereinafter “BFWM”) is a Limited Liability Company organized in the State of NY.

The firm was formed in August 2013, and the principal owners are Kevin Ray Connolly and Allen Clifford Dembski.

### B. Types of Advisory Services

BFWM offers the following services to advisory clients:

#### *Portfolio Management Services*

BFWM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. BFWM creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

BFWM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. BFWM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

BFWM seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of BFWM’s economic, investment or other financial interests. To meet its fiduciary obligations, BFWM attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and, accordingly, BFWM’s policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is BFWM’s policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

### ***Pension Consulting Services***

BFWM offers ongoing consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans) based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the plan's participants.

### ***Endowment Consulting Services***

BFWM offers ongoing consulting services to endowments of not-for-profits and educational institutions based on the demographics, goals, objectives, time horizon, and/or risk tolerance of the endowment board of directors/trustees.

### ***Financial Planning***

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

### ***Services Limited to Specific Types of Investments***

BFWM generally limits its investment advice to mutual funds, equities, fixed income securities, ETFs (including ETFs in the gold and precious metal sectors), hedge funds and insurance products including annuities. BFWM may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

BFWM offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BFWM from properly servicing the client account, or if the restrictions would require BFWM to deviate from its standard suite of services, BFWM reserves the right to end the relationship.

## **D. Wrap Fee Programs**

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. BFWM does not participate in any wrap fee programs.

## **E. Assets Under Management**

BFWM has the following assets under management:

<b>Discretionary Amounts:</b>	<b>Non-discretionary Amounts:</b>	<b>Date Calculated:</b>
\$45,205,928	\$421,231	01/14/2021



## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Portfolio Management Services Fees*

Total Assets Under Management	Annual Fee
\$0 - \$249,999	1.25%
\$250,000 - \$499,999	1.10%
\$500,000 - \$749,999	1.00%
\$750,000 - \$999,999	0.90%
\$1,000,000 - \$2,999,999	0.85%
\$3,000,000 - \$29,999,999	0.75%
\$30,000,000 - \$49,999,999	0.50%
\$50,000,000 - \$500,000,000	0.30%

The final fee schedule is attached as Exhibit II of the Investment Advisory Contract. BFWM bills based on the balance on the last day of the billing period.

#### *Pension Consulting Services Fees*

##### *AUM-based Fees for Pension Consulting*

Total Assets Under Management	Annual Fee
\$0 - \$499,999	1.00%
\$500,000 - \$999,999	0.75%
\$1,000,000 - \$2,999,999	0.50%
\$3,000,000 - \$9,999,999	0.40%
\$10,000,000 - \$5,000,000,000	0.25%

These fees are generally negotiable and the final fee schedule is attached as Exhibit

II of the Investment Advisory Contract. BFWM bills based on the balance on the last day of the billing period at the calendar quarter end. If an account is closed before the billing period, BFWM will bill the client from the first day of the calendar quarter to the closing date in that quarter.

### **Fixed Fees**

The fixed fee rate for pension consulting services is between \$1,000 and \$10,000. The final fee schedule will be attached as Exhibit II of the Investment Advisory Contract.

### **Hourly Fees**

The hourly fee for pension consulting services is between \$200 and \$400. The final fee schedule will be attached as Exhibit II of the Investment Advisory Contract.

### ***AUM-based Fees for Endowment Consulting***

<b>Total Assets Under Management</b>	<b>Annual Fee</b>
\$2,000,000 – 5,000,000	0.50%
\$5,000,001 – 20,000,000	0.40%
\$20,000,001 – 40,000,000	0.30%
\$40,000,001 - \$100,000,000	0.20%
\$100,000,001 +	0.175%

### ***Endowment Fees***

Endowment Fees are negotiable and final fee schedule will be agreed upon by a mutual contractual agreement.

### ***Financial Planning Fees***

#### **Fixed Fees**

The rate for creating client financial plans is between \$1000 and \$10000. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement.

#### **Hourly Fees**

The hourly fee for these services is between \$150 and \$350. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement

### ***Termination of Agreement***

Clients may terminate the agreement without penalty, for full refund of BFWM's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally upon five days' written notice.

You may terminate this Agreement or your Account at any time upon written notice to us, after paying any Obligations you owe to us. You shall remain responsible for all Obligations initiated or authorized by you, including without limitation, any transactions, debts and interest as provided under this Agreement, whether arising before or after termination of this Agreement. We have a right to terminate this Account or any other account (including multiple owner accounts) for any reason and at any time in our sole and absolute discretion. We may liquidate any and all holdings within the Account, minus any fees or other obligations owed to Buffalo First Wealth Management, LLC. Should Buffalo First Wealth Management, LLC take any such action, you agree to hold Buffalo First Wealth Management, LLC, its parent, subsidiaries, affiliates, and their respective representatives, divisions, agents, employees, brokers, directors, officers, assigns, successors, and attorneys from any and all claims, demands, sums of money, actions, rights, causes of action, obligations and liabilities of any kind or nature which arise out of, relate to, or are in connection with the Account. The terms and conditions of this Agreement will survive termination of your account and will continue to apply to any remaining disputes or other matters arising from our relationship.

## **B. Payment of Fees**

### ***Payment of AUM-based Portfolio Management Fees***

AUM-based portfolio management fees are withdrawn on a quarterly basis directly from the client's accounts, with client's written authorization.

### ***Payment of AUM-based Pension Consulting Fees***

AUM-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis.

### ***Payment of Fixed or Hourly Pension Consulting Services Fees***

Fixed pension consulting fees are paid monthly via check.

Hourly pension consulting fees are paid monthly via check.

### ***Payment of Financial Planning Fees***

Fixed and Hourly Financial Planning fees are paid via check. Fees are paid at the time the agreements are signed.

### **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc. {See Charles Schwab Fee Schedule}). Those fees are separate and distinct from the fees and expenses charged by BFWM. Please see Item 12 of this brochure regarding broker/custodian.

### **D. Prepayment of Fees**

BFWM collects fees in advance. Refunds for fees paid in advance will be returned within thirty days to the client via check, or return deposited back into the client's account.

Fixed financial planning fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither BFWM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

BFWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

BFWM generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Investment Companies
- ❖ Pension and Profit Sharing Plans
- ❖ Insurance Companies
- ❖ Foundations

### *Minimum Account Size*

There is no account minimum for any of BFWM's services.

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

BFWM's methods of analysis include charting analysis, fundamental analysis, technical analysis, quantitative analysis and modern portfolio theory.

**Charting analysis** involves the use of patterns in performance charts. BFWM uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations, such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Modern portfolio theory** is a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully choosing the proportions of various assets.

## *Investment Strategies*

BFWM uses long term trading, short term trading, short-term purchases, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Quantitative Model Risk:** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Modern Portfolio Theory** assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

## ***Investment Strategies***

BFWM's use of short term trading, short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies) holds greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Short term trading** risks include liquidity, economic stability and inflation, in addition to the long term trading risks listed above. Frequent trading, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Short sales** entail the possibility of infinite loss. An increase in the applicable securities' prices will result in a loss and, over time, the market has historically trended upward.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options** writing or trading involves a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value and the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

BFWM's use of short sales, margin transactions and options trading (including covered options, uncovered options, or spreading strategies) generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that

lower investment returns. They can be of bond “fixed income” nature (lower risk) or stock “equity” nature (mentioned below).

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry market conditions and general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary and include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general the fixed income market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing.

**Exchange Traded Funds (ETFs):** Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). The price of Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed “electronic shares” not physical metal) may be negatively impacted by several factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Hedge Funds** often engage in leveraging and other speculative investment practices that may increase the risk of investment loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option writing also involves risks including



but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither BFWM nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither BFWM nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Kevin R. Connolly and Allen C. Dembski are investment adviser representatives and a registered representatives of Buffalo First Wealth Management, LLC, and co-owners of and licensed insurance agents through Buffalo First Advisory Services, LLC. Buffalo First Advisory Services LLC is a separate, but affiliated, company with Buffalo First Wealth Management, LLC.

From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or

other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. BFWM always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of BFWM in such individual's outside capacities.

Kevin Connolly is also involved in various charitable, and volunteer activities, primarily focusing on the area of higher education and wellness.

Allen Dembski is also involved in various charitable and volunteer activities. Allen Dembski receives compensation for a part time high school coach.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

BFWM does not utilize nor select third-party investment advisers. All assets are managed by BFWM management.

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

#### **A. Code of Ethics**

BFWM has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

BFWM does not recommend that clients buy or sell any security in which a related person to BFWM or BFWM has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of BFWM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BFWM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a

conflict of interest. BFWM will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of BFWM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of BFWM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, BFWM will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **Item 12: Brokerage Practices**

#### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on BFWM's duty to seek "best execution," which is the obligation to seek to execute securities transactions for a Client on terms that are the most favorable to the Client under the circumstances. The Client will not necessarily pay the lowest commission or commission equivalent, and BFWM may also consider the market expertise and research access provided by the payment of commissions, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers to aid in the research efforts of BFWM. BFWM will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian. Scottrade is recommended by BFWM.

##### ***1. Research and Other Soft-Dollar Benefits***

While BFWM has no formal soft dollars program in which soft dollars are used to pay for third party services, BFWM may receive research, products, or other services from custodians and broker dealers in connection with client securities transactions ("soft dollar benefits"). BFWM may enter into soft dollar arrangements within (but not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and BFWM does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. BFWM benefits by not having to produce or pay for the research, products or services, and BFWM will have an incentive to recommend a broker dealer based on receiving research or services. Clients

should be aware that BFWM's acceptance of soft dollar benefits may result in higher commissions charged to the client.

## **2. *Brokerage for Client Referrals***

BFWM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

BFWM may permit Clients to direct it to execute transactions through a specified broker-dealer. Clients must refer to their advisory agreements for a complete understanding of how they may be permitted to direct brokerage. If a client directs brokerage, the client will be required to acknowledge in writing that the Client's direction with respect to the use of brokers supersedes any authority granted to BFWM to select brokers; this direction may result in higher commissions, which may result in a disparity between free and directed accounts; the client may be unable to participate in block trades (unless BFWM is able to engage in "step outs"); and trades for the client and other directed accounts may be executed after trades for free accounts, which may result in less favorable prices, particularly for illiquid securities or during volatile market conditions. Not all investment advisers allow their clients to direct brokerage.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

If BFWM buys or sells the same securities on behalf of more than one client, it might, but would be under no obligation to, aggregate or bunch, to the extent permitted by applicable law and regulations, the securities to be purchased or sold for multiple clients in order to seek more favorable prices, lower brokerage commissions or more efficient execution. In such case, BFWM would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. BFWM would determine the appropriate number of shares to place with brokers and will select the appropriate brokers consistent with the adviser's duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client portfolio management accounts are reviewed at least monthly only by Kevin R. Connolly with regard to clients' respective investment policies and risk tolerance levels. All accounts at BFWM are assigned to this reviewer.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Portfolio Management reviews may be triggered by material market, economic or political events, or by changes in clients' financial situations (such as retirement, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive a quarterly written report that details the client's account including assets held and asset value. The custodian holding the client's assets will generate written and/or electronic reports, which it will send to the client.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

BFWM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to BFWM clients.

### **B. Compensation to Non – Advisory Personnel for Client Referrals**

BFWM may enter into written arrangements with third parties to act as solicitors for the Adviser's investment management services. All compensation with respect to the foregoing will be fully disclosed to each Client to the extent required by applicable law.

## **Item 15: Custody**

BFWM, with client written authority, has limited custody of client's assets through direct fee deduction of BFWM's fees only. If the client chooses to be billed directly by Charles Schwab Inc., the client's chosen custodian, BFWM would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

BFWM provides discretionary investment advisory services to clients. The Investment Advisory Contract established with each client outlines the discretionary authority for trading. Where investment discretion has been granted, BFWM generally manages the client's account and makes investment decisions without consultation with the client as to what securities to buy or sell, when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, the commission rates at which securities transactions are affected, and the price per share. Clients must execute a limited power of attorney.

## **Item 17: Voting Client Securities (Proxy Voting)**

BFWM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

BFWM neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither BFWM nor its management has any financial condition that is likely to reasonably impair BFWM's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

BFWM has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements for State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

The education and business background of BFWM's current management persons/executive officers, Kevin R. Connolly and Allen C. Dembski, can be found on the Form ADV Part 2B brochure supplement for such individual.

### **B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Other business activities for each relevant individual can be found on the Form ADV Part 2B brochure supplement for each such individual.

### **C. How Performance-based Fees are Calculated and Degree of Risk to Clients**

BFWM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

### **D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at BFWM or BFWM has been found liable in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

### **E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither BFWM, nor its management persons, has any relationship or arrangement with issuers of securities.