



## *Firm Brochure*

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### **Item 1 - Firm Brochure Cover Page**

## **Form ADV - Part 2A**

This brochure provides information about the qualifications and business practices of Prentice Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at (585) 218-0001 or by email at [wprentice@prenticewealth.com](mailto:wprentice@prenticewealth.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 Prentice Wealth Management LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**August 26, 2020**

## Item 2 - Material Changes

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### **Annual Update**

The Material Changes section of this brochure will be updated at least annually or if/when material changes have occurred since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

In accordance with current regulations, the following material changes have been implemented by Prentice Wealth Management LLC since its last Form ADV amendment filing on July 2020.

In August, Anthony Vaccaro completed a specialized educational program in professional divorce analysis and is now a Certified Divorce Financial Analyst™ (CDFA®).

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### **Full Brochure Available**

The Firm Brochure, Form ADV Part 2A, for Prentice Wealth Management LLC is available upon request. Under current regulations, a Brochure Supplement, Form ADV Part 2B, outlining the history and qualifications of our advisors, may be offered as a separate document. Prentice Wealth Management LLC has elected to incorporate its Parts 2A and 2B into a single, but segregated document. This Material Changes summary is intended to provide an overview of significant changes in policy, procedure and/or practice since the last filing of an amendment to the Firm's disclosure document. If you would like to receive a complete copy of our Firm Brochure and Brochure Supplement, please contact us by telephone at (585) 218-0001 or by email at [www.prenticewealth.com](http://www.prenticewealth.com).

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## Item 4 - Advisory Business

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### Firm Description

Prentice Wealth Management LLC, hereinafter referred to as PWM or the Firm, has maintained continuous registration as a Registered Investment Advisory firm with the Securities and Exchange Commission (SEC) since its initial registration filing on January 1, 2012. PWM is a privately held limited liability company whose principal owners are William J. Prentice II and Shawn S. Tesoro. The Firm's Investment Advisor Representatives are William J. Prentice II, Anthony R. Vaccaro, Timothy H. Olsen, and Michelle D. Werth.

As an SEC-registered investment advisor, the Firm has notice filed with the States of New York, Florida, North Carolina, and Texas to conduct advisory business in those states in compliance with their respective state registration requirements. The Firm is headquartered at its Rochester, New York address.

PWM provides personalized confidential financial planning, asset management and related consulting services to individuals, high net worth individuals, pension and profit sharing plans, trusts, charitable organizations and small businesses. Recommendations to clients are made based on consultation with the client and analysis of each client's specific financial needs and may include following services:

Retirement Planning	Estate & Legacy Planning
Eldercare/Medicaid Planning	Tax Planning
Asset Allocation/Portfolio Appraisal	College Funding
Risk Management/Insurance Analysis	Cash Flow Management
Debt Optimization	Employee Benefits evaluation
Tax Preparation	Tax Filing
Divorce Financial Analysis	Other investment and/or non-investment related matters

Within the context of providing these services, clients may place restrictions on the types of securities to be held within their portfolios. PWM, at this time, does not offer its clients wrap fee programs, which charge a fee for an investment program that bundles together a suite of services, such as brokerage, advisory, research and management.

While mainly a fee-based advisory firm, some advisors of PWM are Registered Representatives of Cadaret, Grant & Co., Inc., a FINRA-member securities broker/dealer, and retain the option of selling commission-based products such as annuities, insurance, stocks, bonds, exchange traded funds, mutual funds and limited partnerships within brokerage accounts held by that broker/dealer.

While the clients always maintain control of their assets, they authorize PWM to transact trades on their behalf, without prior consultation, by the discretion authorizations contained in their advisory agreements. PWM, however, does not act as a custodian of client assets, opting instead to utilize the services of an outside

custodial firm. That custodian is TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC/NFA, hereinafter referred to as TD Ameritrade, an independent and unaffiliated SEC-registered broker/dealer. Advisors dually registered with Cadaret, Grant & Co., Inc. may elect to maintain some advisory client accounts with The Investment Management System, hereinafter referred to as TIMS, which is a registered investment advisory subsidiary of Cadaret, Grant & Co., Inc. TIMS utilizes Pershing as custodian for advisory accounts placed with them. PWM may also, to better serve specific client needs, elect to use the services of other custodians as well. The Firm may also elect, at its discretion, to utilize the services of independent third party money managers to better serve specific client portfolio servicing needs.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are recommended.

To the extent requested by the client, the Firm may recommend outside professionals who can provide consulting services regarding non-investment related matters, such as estate planning, tax planning, etc. Neither the Firm, nor any of its representatives, serves as an attorney or accountant and no portion of the Firm's services should be construed as legal or tax advice. To the extent requested by the client, the Firm may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Firm. If the client engages any such recommended professional and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. Conflicts of interest will be immediately disclosed to the client in the unlikely event they should occur.

PWM does offer tax preparation and tax filing since, Anthony R. Vaccaro is an Enrolled Agent as of April 20, 2018. Clients of the Firm are not obligated to have their taxes prepared or filed through PWM.

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.

Anthony R. Vaccaro completed a specialized educational program in professional divorce analysis and is now a Certified Divorce Financial Analyst<sup>TM</sup> (CDFA<sup>®</sup>) in August 2020. In this capacity, Anthony provides financial advice and litigation support as well as court documentation for couples undergoing divorce or separation. Additionally, as an Enrolled Agent with the IRS, he is licensed to fully

evaluate the tax implications and the financial impact of various settlement options for dividing marital property and retirement accounts.

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**Principal Owners**

As previously stated, the principal owners of Prentice Wealth Management LLC are William J. Prentice II and Shawn S. Tesoro. William retains 75 % of the ownership interest and serves as the Firm's Managing Partner as well. Shawn retains 25% of the ownership interest and serves as the Chief Investment Officer of Knightbridge Capital.

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**Types of Advisory Services**

PWM provides investment supervisory services, also known as asset management services, and financial planning or consultative services to its clients. Asset management services may entail the active or passive management of investment accounts, furnishing of investment advice through consultations with clients, issuing periodic newsletters or special reports to its clients about securities and market conditions or trends and evaluating securities held by clients to foster an understanding of their assets relative to their stated goals and objectives.

Financial planning services are provided to clients to assist them in pursuing both short and long range financial goals. This is accomplished through a process of collecting client information about the client's current financial condition, clarification of their goals, identification of their past efforts and current abilities in pursuit of their goals and ongoing progress reviews relative to any actions taken.

On more than an occasional basis, PWM furnishes consulting services to clients on matters not involving securities, such as taxation, trust management and estate planning. In this area, the Firm does not act in the capacity as a tax or legal advisor to its clients.

The Firm is compensated for its advisory services to clients through asset management fees, fixed fees or hourly fees as determined by the types of services elected by the clients. Clients grant the Firm discretionary powers which permit the executions of transactions on the clients' behalfs without consulting with or obtaining consent from them in advance of the transactions. As stated above, this authorization is granted in the advisory agreements initially signed by the clients.

As of December 31, 2019, PWM had regulatory assets under management totaling \$206,822,796.04 for 992 accounts.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment strategies are then created that reflect the stated goals and objectives of each client. Clients may impose restrictions on investing in certain securities or types of securities.



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## **Types of Agreements**

Prior to engaging PWM's services, clients are required to sign an agreement which defines the services that will be provided by the Firm. The following agreements define the typical client relationships between PWM and its clients. Agreements may not be assigned or transferred to parties other than the original clients entering into the agreements. Since PWM does not maintain custody of client assets, however, separate agreements may also need to be executed between custodial firms and the client, in addition to the agreements of the Firm described below. Since neither PWM nor its advisors act as attorneys, their recommendations should not be interpreted as legal advice.

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## **Financial Planning and Consulting Service Agreement**

Planning or consulting service clients are required to sign a Financial Planning and Consulting Service Agreement with the Firm. This agreement outlines the nature and level of financial planning and/or consulting services to be provided, without requiring the direct management of the client's assets.

For financial planning clients, information regarding a client's personal and financial situation and objectives is collected by the advisor through a confidential interview process. This data is analyzed and a written financial plan, with specific recommendations, is presented to clients if and when appropriate to do so.

The financial plan may include, but is not limited to a net worth statement, a cash flow statement, a review of investment accounts including reviewing past asset allocations, providing asset repositioning recommendations, strategic tax planning, education planning with funding recommendations, a review of retirement accounts and plans including recommendations and one or more retirement scenarios, a review of insurance policies and recommendations for changes, if necessary and an estate planning review and recommendations.

As previously stated, the Firm does not provide legal or accounting advice relative to its financial plans. It will, however, act as a facilitator in these areas between clients and their legal and/or tax advisors relative to the recommendations made in a financial plan.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client and may be implemented with either PWM or with another financial advisor of the client's choosing.

Consulting services are provided to clients regarding other financial-related concerns in situations where detailed or comprehensive financial planning is either not necessary or not desired. Common areas of concern addressed by these services include:

Retirement Planning	Estate & Legacy Planning
Eldercare/Medicaid Planning	Tax Planning

Asset Allocation/Portfolio	Appraisal	College Funding
Risk Management/Insurance	Analysis	Cash Flow Management
Debt Optimization		Employee Benefits evaluation
Divorce Financial Analysis		Other investment and/or non-investment related matters

### **Third Party Investment Advisor Programs**

Third Party Investment Advisory (TPIA) Programs reviewed and offered through PWM for use by the firm to manage client assets. Some programs may be more or less aggressive as compared to other programs. Some programs may also have higher or lower fees and expenses than other programs. These programs are sponsored by the TPIAs and are offered through selling agreements, solicitor/referral arrangements and other types of agreements between PWM and the TPIAs. Many of these TPIAs sponsor a broad range of investment programs. PWM management and due diligence personnel review these TPIAs. Dependent on the agreement between PWM and the TPIA and based on the information provided by the client, the firm will refer client to or assist the client in selecting a third-party investment advisor (TPIA) who offers products and services that demonstrate an investment philosophy and style that appear to align with the needs of the client. The client is asked to provide detailed financial and other pertinent data to the firm. The firm helps the client determine the risk tolerance, investment goals, and other relevant guidelines. There can be no guarantee that the client's goals or investment objectives will be achieved by any specific program. Clients should always refer to the TPIA's Form ADV Part 2, or equivalent brochure, for a full description of their products and services and all related terms, conditions fees and expenses.

Under selling agreements between PWM and the TPIA, the firm assists the client in selecting a suitable TPIA program. Based on the type of the product or service selected, client assets are then either invested in the strategy or model or the TPIA begins to properly allocate the client's assets in the investment portfolio. The firm will provide initial and continuing education and information regarding the program selected. The firm will also explain rebalancing guidelines utilized within the program and meet with the client periodically to discuss changes to the client's financial circumstances. Clients should always refer to the TPIA's Form ADV Part 2, or equivalent brochure, for a full description of the terms and conditions of their services and fees. Each client is provided a copy of applicable disclosure documents and Form ADV II prior to, or at the time of entering, into an advisory contract. Solicitor or referral arrangements between PWM and TPIAs are formed through written solicitation agreements stating PWM and the firm will conduct activities as a solicitor in compliance with the requirements of applicable state regulations and SEC Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended and in each state where applicable. Each client is given a copy of the Solicitor Disclosure Document and Form ADV II prior to, or at the time of entering, into an advisory contract. Under these arrangements, the IAR will assist the client in identifying the client's objectives and refer the client to a TPIA according to the client's stated objectives. The client typically enters into an agreement directly with the TPIA and the client's funds will be

invested as recommended by the TPIA. The firm will monitor the performance of the TPIA and coordinate communication between the client and TPIA. The firm will not actively participate in the execution of any securities transactions for a client's TPIA account and will have no authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of the securities to be bought or sold, or the broker/dealer to be used for the purchase or sale of securities in the client's TPIA account. Such decisions are made in accordance with the terms of the investment advisory agreement executed between the client and the chosen TPIA. The TPIA or its designee may have discretionary authority over the client's account. Clients should refer to the TPIA's Form ADV Part 2, or equivalent brochure, for a full description of the terms and conditions of their services and fees.

A complete list of TPIAs available through PWM is available upon request.

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### **Investment Management Agreement**

Most clients choose to have PWM manage their assets in order to obtain ongoing in-depth advice and financial planning. These clients are required to sign an Investment Management Agreement which defines the manner in which their assets will be managed and the fees assessed by the Firm. PWM's Investment Management Agreement provides for cash flow management, insurance review, investment management, education planning, retirement planning, estate planning and tax planning, along with the implementation of recommendations within each area. Under the terms of the Agreement, investable assets are managed by the Firm in pursuit of the client's goals in each of these areas.

All aspects of the client's financial affairs are reviewed, including those of their dependents, if any. 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.

Based on specific client objectives and suitability factors, the advisor will develop a plan with each client that focuses primarily on either income generation or growth of equity assets. Fees differ between these two portfolio management options and are listed in the respective advisory agreement presented to the client. Asset management fees are non-negotiable, as with the Firm's other services.

Asset management services are generally provided on a discretionary basis. Under the terms of our discretionary agreement, clients authorize the advisor to buy, sell, invest, reinvest, exchange and/or trade securities in their accounts at his/her sole discretion and without consulting with the client in advance. Non-discretionary asset management services are provided to some clients holding assets within qualified retirement plans. Advisory services are seen as ongoing and agreements are self-renewing unless terminated by either the client or the advisor. Fees and terms within the agreement, however, may be adjusted periodically to serve the client's ongoing needs. Clients are notified in writing of any adjustments to their agreements.

To better meet the advisory needs of the Firm's diverse client base, PWM offers a variety of asset management plans for clients to select from. Its standard asset management service, as described above, is provided directly through PWM, with fees as set forth in its standard asset management agreement. For clients desiring or requiring more specialized asset management strategies, however, they may be referred to several additional portfolio options administered through Knightbridge Capital Management, hereinafter referred to as Knightbridge, a portfolio management subsidiary of PWM. Knightbridge's portfolios and strategies are developed and overseen by Shawn S. Tesoro, its Chief Investment Officer (CIO). Clients electing to utilize Knightbridge's services will be charged an additional management fee above PWM's normal management fee.

Accordingly, PWM offers the following portfolio management options to its advisory clients:

- 1) PWM's Standard Asset Management Service – PWM will manage client assets by utilizing index mutual funds and/or ETFs, under the direct supervision of the Firm's Investment Committee, with input from the client and IAR. Accounts may be managed on either a discretionary or non-discretionary basis with fees based upon PWM's standard cascading advisory fee schedule. All components of the Firm's advisory services are provided to clients based solely on the fee schedule established in the Firm's Investment Management Agreement.
- 2) Knightbridge Capital Management Service - Clients may elect to have their portfolios managed on a stand-alone basis utilizing this platform. It allows clients to elect specialized portfolio management strategies based upon the investment recommendations of their PWM IAR, coupled with the investment management expertise of Knightbridge's in-house portfolio manager. Each specialized option may entail an additional fee above PWM's standard management fee, billed separately, which is outlined in their advisory agreement. A Knightbridge election allows clients to choose from the following specialized management fee options for their portfolio:
  - a) Stand-Alone Asset Allocation Fee– Clients may select from one of PWM's standard asset allocation models for the singular purpose of managing their assets according to the principles of asset allocation, without seeking additional advisory services from the Firm. These models are structured, maintained and continuously reviewed for consistency with each model's stated objective by Knightbridge's CIO. The objective is typically met by utilizing mutual funds, ETFs and/or CEFs. While the CIO may select the types of securities utilized in the models, no individual securities are held in these accounts in the names of individual clients. Clients are charged a standard, fixed percentage management fee against assets under management within this portfolio, as specified in their advisory agreement.
  - b) Stand-Alone Hybrid Portfolio Fee – The CIO, at his discretion, selects the securities to be held in the individual client's portfolio consistent with the portfolio objective specified by the client. Portfolios may contain stocks, bonds, mutual funds, ETFs and/or options which, may be held in the client's name within their respective portfolio but will be traded solely at the discretion

of the CIO. As with the Asset Allocation option above, clients are charged a standard, fixed percentage management fee against assets under management within this portfolio, as specified in their advisory agreement.

- c) Stand-Alone Equity Portfolio Fee – Based on the client’s specific investment parameters, the CIO structures a specialized client-specific portfolio consisting of stocks, bonds and options contracts. This represents a highly customized portfolio for clients seeking a tailored portfolio experience. As above, this option is charged a standard, fixed percentage management fee against assets under management within this portfolio, as specified in their advisory agreement

Fees for the Knightbridge portfolio management options are fixed percentages but may be negotiable, at the discretion of the Firm’s Managing Partner or Investment Committee.

The Stand-Alone Equity Portfolio option requires a minimum account size of \$100,000.

Fees are billed quarterly in advance and automatically deducted from the clients’ advisory accounts. Clients receive a quarterly statement or invoice from the account custodian(s) which identifies the account balance, fees charged and the manner in which the fees were calculated.

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### **Retainer Agreement**

PWM may, at its discretion, charge a retainer to clients for financial planning, consulting and/or asset management services. Should it do so, the retainer terms will be clearly stated in the agreement signed by the client.

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### **Asset Management**

A minimum account value is not required to open an advisory asset management account with PWM. However due to the specialized nature of the Knightbridge Stand-Alone Equity Portfolio, accounts placed with this subadvisory option do require a \$100,000 minimum.

Advisors generally recommend that clients allocate their investment assets to various vehicles deemed by the advisor to be appropriate and consistent with the client’s suitability and objectives. Knightbridge may also recommend the use of various vehicles based on the client’s suitability and objectives. These investment vehicles may include, but are not limited to, the following:

Exchange-listed securities	Over-the-counter securities
Foreign securities	Warrants
Corporate debt securities	Commercial paper
Certificates of deposit	Municipal securities
Variable annuities	Mutual funds
Variable universal life insurance	Exchange-traded funds
U.S. Government securities	Options contracts
Real estate partnerships	Oil and gas partnerships

Fees related to investment vehicles are clearly identified to the client, either by the advisor or by prospectus, prior to investing. The Firm does not permit participation in Private Placements, initial public offerings (IPOs) and/or penny stock transactions within client accounts.

Securities transactions in advisory accounts are executed through TD Ameritrade, PWM's advisory client custodian.

Since, the addition of an affiliated business in March 2019, we have also added Charles Schwab as a custodian option. The accounts held at Charles Schwab is a continuation of services for pre-existing accounts under the Affiliate. PWM continues to maintain this relationship as a convenience for clients.

Other brokerage firms, broker/dealers and/or custodians may be utilized if requested by the client or deemed more appropriate by the advisor. Under these client-directed brokerage circumstances, however, clients are advised that their direction may hinder PWM's ability to achieve best execution on trades, negotiate commissions or participate in block trading which could be beneficial to the client.

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### **Termination of Agreements**

Either PWM or the client may terminate any of the aforementioned agreements at any time by notifying the other party in writing thirty (30) days prior to the termination date. As previously stated, the client will be billed at the stated rate for the time spent on the advisory activities performed prior to notification of termination. Clients terminating a financial planning agreement prior to the completion of the financial analysis phase, and subsequent billing of fees upon its completion, will be assessed a prorated fee based upon the time expended by the Firm or IAR up to the receipt of a written termination notice from the client. Clients terminating the Firm's asset management services for which they have been billed in advance will receive a pro rata refund of fees based on the number of days remaining in the calendar quarter from the date the Firm receives the written termination notice from the client. Advisory fee refunds are credited directly back to the clients account, with all crediting completed prior to the account being transferred or liquidated by the client.

In addition, PWM reserves the right to terminate any advisory engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in PWM's judgment, to providing proper financial advice. Any unearned portion of fees collected in advance will be refunded to the client as stated above.

## Item 5 - Fees and Compensation

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### Description of Fees

For financial planning services, the base fee is fixed and negotiated with the client within a range of \$250 to \$25,000, dependent upon the specific needs specified by the client, complexity of financial planning issues to be addressed by the Firm and projected time expenditures required to complete the financial planning process. Financial planning fees are payable upon completion of the financial analysis phase of preparing the client's financial plan. While clients are not required to implement their financial plan with the Firm, the fee for developing a financial plan may be waived, at the discretion of the Investment Advisor Representative (IAR) of the Firm, should they elect to do so. This base fee may also be adjusted, at the discretion of the advisor, based upon the complexity of a client's specific financial planning concerns.

Consulting services not related to the management of specific assets or unrelated to developing a financial analysis and plan may be provided on an hourly fee basis and will be billed at a rate of \$300 per hour, in fifteen (15) minute increments. Consulting service fees will be billed either upon completion of the consultation or on a monthly basis, as agreed upon with the client. These fees may also be negotiable or waived, at the discretion of the IAR

The fee for PWM's standard Investment Management Agreement is based on a percentage of the market value of assets under management at the end of the preceding quarter. For the sake of fee calculation, advisory and non-advisory client assets may be aggregated, at the discretion of the IAR, affording the client the lowest fee percentage whenever possible. Depending upon specific client circumstances, management fees may be negotiable on a case-by-case basis, at the discretion of the Chief Compliance Officer and IAR. In the event of a deviation from the Firm's standard fee schedule due to special circumstances or contract fee maximums imposed by third party asset managers utilized by the Advisor, an additional Letter of Understanding, defining the revised schedule, will be executed between the client and the Firm and a copy of the Letter attached to the original agreement.

PWM's standard schedule of asset management fees is cited as follows:

<u>Account</u>	<u>Value</u>	<u>Annual Advisory Fee</u>
First	\$ 50,000	1.600%
Next	\$ 50,000	1.500%
Next	\$150,000	1.300%
Next	\$ 250,000	1.100%
Next	\$500,000	0.900%
Next	\$2,000,000	0.700%
Next	\$7,000,000	0.500%
Above	\$10,000,001	0.300%

Depending upon specific client circumstances, Knightbridge management fees may be negotiable on a case-by-case basis, at the discretion of the CCO and IAR.

Clients electing to utilize the Knightbridge portfolio management services, in addition to PWM's standard advisory services, will be billed additionally and separately according to the following fee schedule:

Cash Portfolios

Cash Management – 0.20%

Stand-Alone Asset Allocation Portfolios

Strategic Asset Allocation – 0.35%

Tactical Asset Allocation – 0.50%

Stand-Alone Hybrid Portfolios

Alpha Beta and Alpha – 0.75%

Stand-Alone Equity Portfolios

Alpha – 0.85% to 1.00%

Affiliate businesses of PWM have the ability to customize their fee schedule per client account by using a flat fee schedule. An Affiliate office may charge up to 2.20% per year/per client account. The total fee charged by the Affiliate office is a combined fee for financial planning and investment related services. Please refer to the above list of Knightbridge management fees for the investment related services portion of the fee. The process of billing the clients will be done in the same manner as PWM clients. See the Fee Billing section below.

Depending upon specific client circumstances, Assetmark management fees may be negotiable on a case-by-case basis, at the discretion of the CCO and IAR. Clients should refer to the TPIA's Form ADV Part 2, or equivalent brochure, for more information.

Clients electing to utilize the Third Party Investment Advisor, Assetmark platform for management services will be billed through Assetmark according to their fee schedule. PWM receives a strategist fee of 0.25% on accounts utilizing the strategies created by PWM for the Assetmark platform. Please refer to Assetmarks's set up documents and firm brochure for specifics.

Due to the addition of an affiliated business in March 2019, we have also added Morningstar Investment Services as a TPIA. This is a continuation of services for pre-existing clients under the affiliate.

Clients electing to utilize the Third Party Investment Advisor, Morningstar Investment Services platform for management services will be billed through Morningstar according to their fee schedule. Please refer to Morningstar's set up documents and firm brochure for specifics.

Exceptions to these fee schedules may also be made for associated persons of the Firm, with the approval of the Firm's Managing Partner, Chief Compliance Officer or the unanimous approval of its Investment Committee.



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**Fee Billing**

Financial planning and consulting service fees are billed to the client upon completion of the services requested. An up-front retainer may be required for these services, at the discretion of the advisor, with the balance due upon completion of the services. Should a client elect to terminate these services, their fee will be determined based on the time expended by the advisor up to the Firm's receipt of a written termination notice from the client.

All asset management clients are billed for advisory services based on a percentage of their assets under management, according to the fee schedules above, with all managed account balances aggregated for the purpose of fee calculations. The dollar amount of the fee is expressed as a percentage of the total aggregated assets under management. Should an asset management client terminate these services prior to the end of a given quarter, they will receive a pro rata refund of asset management fees paid in advance for that quarter.

All fees are billed quarterly, in advance, based on the market value of the assets on the last day of the previous quarter, as valued by the account custodian(s). New accounts, once established, are assessed a pro rata portion of the annual fee for the quarter in which the account is established.

Fees are deducted directly from the client's accounts, as agreed upon in their Investment Management Agreement.

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**Other Fees**

Custodians may charge transaction fees on purchases or sales of certain securities, including mutual funds and exchange-traded funds. These transaction charges, if assessed, are usually small and incidental to the purchase or sale of a security and defined in the respective custodian's agreement, which is provided to and signed by the client prior to utilizing the custodian. PWM, however, does not receive any portion of these fees, if charged by the custodians. From an asset management standpoint, the selection of securities appropriate to a client's portfolio and their overall management plan is more important than these nominal fees, if any, that the custodian may charge to buy or sell the securities selected.

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**Expense Ratios**

Most mutual funds and exchange-traded funds, whether purchased directly or through custodial accounts, generally charge an internal management fee, called an expense ratio, which is separate from the advisory service fees charged by PWM or transaction fees which might be charged by the custodians. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. These fees are specific to each mutual fund and deducted from the

fund's performance annually by the mutual fund company. Clients are not billed directly for these fees. Any such fees, if present, are clearly defined in each mutual fund's prospectus, which is provided to the client at the time the fund is recommended to the client.

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**Past Due Accounts and Termination of Agreements**

PWM has established a policy on past due accounts since accounts may choose to be billed directly for management fees. In the event that an outstanding balance remains within a timeframe deemed reasonable by the Firm, a second notice will be sent on the uncollected balance. If the second notice of outstanding balance remains outstanding within a timeframe deemed reasonable by the Firm, the fee will be pulled directly from the clients account. Under normal circumstances, as previously stated, either PWM or the client may terminate any of the aforementioned agreements at any time by notifying the other party in writing thirty (30) days prior to the termination date. The client will be billed at the stated rate for the time spent on the advisory activities performed prior to notification of termination.

## **Item 6 - Performance-Based Fees**

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**Performance-Based Fees**

PWM's fees are not based on a share of the capital gains or capital appreciation of managed securities. In addition, 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 advisor to recommend an investment that may carry a higher degree of risk to the client.

## **Item 7 - Types of Clients**

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**Description**

PWM's clients are comprised primarily of individuals but also include corporations, pension and profit sharing plans, trusts, estates and charitable organizations. Client relationships vary in scope and length of service.

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**Account Minimums**

PWM does not specify a minimum account size to engage a new client or retain an existing client. As previously stated, however, Knightbridge does require a minimum account size of \$100,000 within its Stand-Alone Equity Portfolio. In general, advisory fees do vary based on the amount of assets under management by the Firm and clients with smaller accounts may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management. This difference is reflected in the Firm's banded advisory fee schedule.

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

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### **Methods of Analysis**

In developing investment strategies for advisory clients, the Firm may employ long- or short-term purchases, trading of securities within thirty (30) days, short sales, margin accounts and option writing. The development of these strategies is based on a variety of information sources and methods of securities analysis. Information sources include financial publications, research acquired from outside sources, corporate rating services and company press releases, along with annual reports, prospectuses and SEC filings. Specific securities are evaluated through the use of fundamental, technical, economic and quantitative analysis methods.

PWM may also utilize other internal and external sources for analysis. All sources are available to the public at either a fee or no fee. Such sources include but are not limited to; journals, newspapers, websites, and new outlets.

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### **Investment Strategies**

The central investment strategy used on client accounts is strategic asset allocation. This approach seeks to maximize gains while minimizing risk through the use of diversification of investments across a broad spectrum of domestic and foreign asset classes. Portfolios are globally diversified in this manner to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client provides the advisor with detailed information that documents their objectives and their desired investment strategy. This information is reviewed with the client periodically and strategies adapted to any changes in objectives and/or suitability. As previously stated, other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions and option transactions.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Clients are advised of these various types of risk and the possibility of loss of their assets. Investment strategies are developed based on the risk tolerance of each client and the types of these risks they may be subjected to. Investment vehicles are then selected by the advisor that are deemed suitable for the client according to their respective goals, timeframes and risk tolerances to potential losses. Our investment approach constantly factors risk of loss in mind. Investors may face any or all of the following investment risks while pursuing their financial goals:

- **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, potentially 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.

## **Item 9 - Disciplinary Information**

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### **Legal and Disciplinary**

Neither the Firm nor any of its associated persons have been involved in any legal or disciplinary events related to past or present investment clients.

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

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### **Financial Industry Activities**

PWM is not registered as a securities broker-dealer, a futures commission merchant, commodity pool operator or commodity trading advisor. Some associated persons of the Firm, however, are FINRA-licensed Registered Representatives of Cadaret, Grant & Co., Inc., a securities broker/dealer holding memberships in FINRA and SIPC. As such, they may sell products and services through Cadaret, Grant and receive separate and standard commissions on the sale of those products and services. Cadaret, Grant & Co., Inc. and PWM are separate entities.

Some associated persons of the Firm are also licensed as life and/or health insurance agents and may be compensated through separate and standard commissions for the sale of insurance and insurance-related products and services.

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### **Affiliations**

PWM does not provide legal or accounting services to its clients. Should the need arise for those services, however, PWM may refer the clients to attorneys or accountants who are independent of PWM. If clients choose to use the services of those firms, they may be required to execute separate agreements with them which identify their specific services and fees. PWM receives no compensation for these referrals.

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### **Outside Business Activities**

As stated above, Investment Advisor Representatives of PWM are also Registered Representatives of Cadaret, Grant & Co., Inc., a FINRA-registered securities broker/dealer and may be licensed as life and/or health insurance agents. As such, they may receive standard commissions for the sale of securities and insurance products which are separate from their advisory fees received from PWM. William Prentice has the following outside business activities: Rochester Institute of Technology, Rochester (RIT), NY, start 2000, non-investment related, 5 hours monthly, Alumni Advisory council, direct & design efforts for fund raising; HRM Options LLC, Rochester, NY, non-investment related, consulting, 10% owner, start 9/11, less than 2 hours monthly, Human resource outsourcing and employee benefits consultation; RIT Saunder College, Rochester, NY, non-investment related, Dean's Advisory Board, 3 hours monthly, 2-5 hours during trading, advisory capacity to The Sanders College of Business; Rochester Institute of Technology (RIT), Rochester, NY, Alumni Board of Directors, member at large, start 1/2015, non-investment related, 4-6 days a year, provide feedback relating to alumni engagement and development activities; WJP2 LLC, Rochester, NY, non-investment related, real estate holding company, owner, start 1/2011, less than 10 hours monthly, holding company for business office located at 110 Linden Oaks, Rochester, NY.

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

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### **Code of Ethics**

PWM places the utmost priority on maintaining high standards of integrity and professionalism by its associated persons in the conduct of its advisory business. The greatest asset held by this Firm is the trust and confidence placed in it by its clients. It is incumbent upon all members of the Firm to maintain, further and adhere to the tenet that the clients' interest is paramount in all that we do. PWM has established a Code of Ethics which has been specifically formulated to ensure that its fiduciary obligations are met. In addition, since some associated persons of the Firm have received the CFP® Certification from Certified Financial Planner Board of Standards,

Inc., the Firm has incorporated into its Code of Ethics the following key principles of CFP Board's Code of Ethics and Professional Responsibility:

**Principle 1 – Integrity:** *IARs, employees and officers of PWM will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain or advantage. Certificants are placed in position of trust by clients and the ultimate source of that trust is the certificant's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion, but integrity cannot co-exist with deceit or subordination of one's principles.*

**Principle 2 – Objectivity:** *IARs, employees and officers of PWM will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which a certificant functions, certificants should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.*

**Principle 3 – Competence:** *IARs, employees and officers of PWM will maintain the knowledge and skills necessary to provide professional services competently. Competence means attaining and maintaining an adequate level of knowledge and skill, and application of that knowledge and skill in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Certificants make a continuing commitment to learning and professional improvement.*

**Principle 4 – Fairness:** *IARs, employees and officers of PWM will be fair and reasonable in all professional relationships, and all conflicts of interest will be disclosed. Fairness requires impartiality, intellectual honesty and disclosure of material conflicts of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated.*

**Principle 5 – Confidentiality:** *IARs, employees and officers of PWM will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.*

**Principle 6 – Professionalism:** *IARs, employees and officers of PWM will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to clients, fellow professionals, and others in business related activities. Certificants cooperate with fellow certificants to enhance and maintain the profession's public image and improve the quality of services.*

**Principle 7 – Diligence:** *IARs, employees and officers of PWM will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.*

The Firm's Code of Ethics establishes ethical guidelines for its employees and advisors to adhere to relative to the following key areas of its advisory operations:

Compliance	Personal Securities Transactions
Insider Trading	Rumor Mongering
Conflicts of Interest	Outside Business Activities
Gifts and Entertainment	Code Violation Reporting and Sanctions
Recordkeeping	

All associated persons of PWM are committed to its Code of Ethics, which is available in its entirety for review by clients and prospective clients. Copies of the Code may be requested by written request sent to Prentice Wealth Management LLC, 110 Linden Oaks, Suite F, Rochester, New York 14625 or by calling our office at (585) 218-0001 during normal business hours. A copy will be forwarded promptly upon receipt of a request.

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### **Participation or Interest in Client Transactions**

PWM and its employees may buy or sell securities that are also held by clients. Associated persons are prohibited, however, from trading securities within their personal accounts ahead of trades of the same securities in client accounts, a practice commonly known as “front running”. They are also prohibited from conducting sales of securities between their personal accounts and those of advisory clients.

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### **Personal Trading**

It is PWM’s policy to prohibit personal securities transactions by its associated persons which are or could lend the appearance of being in conflict with either client transactions or the Firm’s fiduciary responsibility to its clients. The Firm has designated William J. Prentice II as its Chief Compliance Officer (CCO). As such, he conducts reviews of all associated person trading activity on a quarterly basis. His trades, in turn, are reviewed by the Firm’s Investment Committee. These personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the Firm receive preferential treatment at all times.

## **Item 12 - Brokerage Practices**

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### **Selecting Brokerage Firms**

While it does maintain a broker/dealer affiliation with Cadaret, Grant & Co., Inc., as previously stated, PWM does not currently utilize a broker/dealer relative to its trading activities for advisory clients. It does, however, utilize TD Ameritrade and Charles Schwab, as outside custodians, to implement trades for its advisory clients. Specific custodial firm recommendations are made to clients based on the client’s need for such services and the custodian’s proven integrity and financial responsibility, along with their best execution of orders at reasonable commission rates, if applicable.

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### **Best Execution**

PWM reviews the execution of its advisory client trades on an ongoing basis to ensure that its clients are receiving the best execution possible within their advisory accounts. In addition to best execution reviews by the custodian, PWM’s CCO conducts quarterly

reviews of trading accuracy and efficiency utilizing Rule 605 reports drawn from publicly available data. If any issues of potential concern are noted in these reports, relative to trading activities affecting the Firm's advisory clients, they are addressed by the CCO directly with the custodian at that time, resolved promptly in the client's favor and all relevant information documented accordingly.

Additionally, on an annual basis, the CCO may request and review a Rule 606 report which compares the relative performance of TDA, as a broker/dealer, to other broker/dealers in the market place across a variety of parameters. In seeking best execution for its clients, lowest transaction cost may not always be the key determinative factor. PWM also examines qualitative factors such as speed and accuracy of executions, value of research provided, commission rates and responsiveness to client and advisor concerns, for example. As a result, some trades may not necessarily obtain best price, within reason, but the Firm will achieve higher quality service across its entire trading platform.

Based on these comparisons, the Firm continually seeks to ensure that the overall trading execution performance of its custodians compare favorably in the marketplace. Documentation of the Firm's ongoing Best Execution review is maintained by the CCO as a key component of its compliance books and records.

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### **Soft Dollars**

Soft dollar practices generally refer to arrangements under which investment advisors or money managers obtain products or services (other than execution of securities transactions) from or through a broker/dealer in exchange for the advisor directing client brokerage transactions to that broker/dealer.

PWM does not have any soft dollar arrangements in existence at this time, nor does it intend to have any in the future.

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### **Order Aggregation**

While the advisor generally places trades of individual securities for clients, such orders may also be "batched" or aggregated with those of other clients or the advisor to facilitate a block trade. By executing block trades, the Firm seeks to achieve a better execution price for all parties interested in trading a specific security.

When trades are blocked, the allocation of shares is established in writing before the trade is entered. In the event of a partially filled block order, shares will be allocated in a top down manner, based upon the order of trades received, until all available shares have been allocated to client accounts. An advisor's personal or family accounts will not receive an allocation of shares unless all client orders have been satisfied first. In the event of varying execution prices in a block trading situation, the clients will receive the average of the execution prices to achieve a uniform price for all clients. Detailed records of each block trade and the allocation of shares are maintained by the Firm's CCO.



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

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### **Periodic Reviews**

PWM continuously monitors the composition and performance of client portfolios as a key component of its ongoing service commitment to its clients. Account reviews are conducted by each advisor with their respective clients at least annually. Reviews may be performed more frequently in response to client requests or at any time when the Firm or the individual advisor feels that specific events or market conditions dictate.

Portfolio models are reviewed and updated regularly by the Firm's Investment Committee, officer's, and/or CIO. Adjustments to portfolio models are made at least annually to reflect changes in suitability, market conditions, market opportunities and client concerns. Individual holdings within each model are evaluated relative to their performance and the likelihood that they will contribute to the objectives of the specific portfolio model in which they are held.

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### **Review Triggers**

The Firm's advisors monitor economic and market conditions, perform due diligence reviews of securities and financial products and investigate significant gains or losses in client portfolios. Concerns in any of these areas, changes in tax laws and/or changes in client objectives or suitability may trigger the need for off-cycle account reviews with clients as well.

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### **Regular Reports**

Clients are provided with transaction confirmations, notices and regular account statements directly from the custodian of their accounts not less than quarterly. Copies of all items sent to clients are simultaneously copied to PWM.

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

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### **Incoming Referrals**

PWM has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. We currently do not have any individuals soliciting business for the firm.

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### **Referrals Out**

PWM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them. Solicitor fees are received from The Pacific Financial Group (TPFG). These fees range from 80-100 bps depending on the underlying custodians arrangement with TPFG. No additional fees are paid by the clients due to the referral being made. TPFG and PWM are not affiliated.

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**Other Compensation**

PWM receives no other forms of compensation for its services beyond those identified above and specifically stated in its agreements executed with clients.

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**Item 15 - Custody**

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**Account Statements**

It is the Firm's policy to have custody over client assets only to the extent that it requests the client's custodians to deduct advisory fees directly from the client's account(s), when authorized by the client, in lieu of fees being billed directly to the client for payment. As previously stated, all advisory client assets are held at TD Ameritrade, a qualified custodian according to SEC's definition. They provide account statements directly to the clients at their address of record or electronically (with client acknowledgement) not less than quarterly, with copies forwarded electronically to PWM.

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**Performance Reports**

Clients are urged to review the performance of their investments as reported on their account statements received directly from their account custodians. These statements, along with market and portfolio performance are reviewed with each client during periodic account reviews with their respective advisor.

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**Net Worth Statements**

On request, clients are provided net worth statements are generated by PWM. Net worth statements may contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate, in addition to invested assets. The net worth statements are used for long-term financial planning where the exact values of assets are not necessarily material to the financial planning tasks.

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**Item 16 - Investment Discretion**

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**Discretionary Authority for Trading**

Investment advisory services are provided to clients on a discretionary basis, with discretion authorization specified in each client's asset management agreement. Accordingly, PWM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the timing of transactions and the amount of the securities to be traded. This authority facilitates placing trades in client accounts on their behalf so that we may promptly implement their investment policy when timeliness is an issue.

The use of discretion is granted by each client and expressly authorized in the advisory agreement they signed upon engaging the services of the Firm. The clients do retain the right to place limitations on the advisor's discretionary powers. If any such limitations or restrictions are specified, they are clearly defined within the advisory agreement at the outset of services. Subsequently, restrictions may be added or dropped from the client's authorization by submitting a request in writing to the Firm.

Some clients executing discretionary asset management agreements with the Firm may request investment advice relating to qualified plan assets. Asset management of these holdings within a client's portfolio, however, is rendered on a non-discretionary basis only.

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**Limited Power of Attorney**

PWM does not accept or maintain power of attorney over client accounts or financial affairs.

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**Item 17 - Voting Client Securities**

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**Proxy Votes**

PWM does not vote proxies on behalf of its clients. Clients are expected to vote their own proxies and account custodians are directed to forward all proxy voting materials directly to the clients. If assistance on voting proxies is requested by a client, PWM will provide recommendations only. If any conflict of interest might exist relative to advising the client on proxy issues, it will be disclosed to the client.

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**Item 18 - Financial Information**

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**Financial Condition**

PWM does not have any financial impairment that will preclude it from meeting its contractual commitments to clients. Neither the Firm nor any associated persons have been a party in any bankruptcy proceedings during the past ten (10) years. Since PWM does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$500 per client six months or more in advance, it is not required to prepare or provide a financial balance sheet to clients.

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**Item 19 - Business Continuity Plan**

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**General**

PWM 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.

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**Disasters**

It is PWM's policy to provide uninterrupted service to its clients and to minimize the downtime should any unforeseen event cause disruption to its business operations. To this end, a Business Continuity Plan has been developed and implemented by the Firm to accomplish this. The plan makes provision for most natural or man-made disasters which could conceivably disrupt the day-to-day operations of the Firm and access by clients to their account information. PWM's computer system is backed-up automatically at the end of each day to a mirrored hard drive and redundant flash drive which are stored on-site.

Additionally, all data is backed up continuously to a Microsoft cloud data storage system.

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### **Alternate Offices**

An alternate office has been designated to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients in the event of a disaster that dictates moving our office to an alternate location. At that time, they will be provided with alternate contact information and will be periodically kept abreast of the status of the office facility restoration or relocation.

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### **Loss of Key Personnel**

In the event of the death or permanent disability of any mission-critical personnel of the Firm, the remaining advisors and staff will continue the management of operations in as seamless a transition process as possible. Management of client assets will continue, without disruption, according to the strategies currently in place.

## **Item 20 - Information Security Program**

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### **Information Security**

The Firm is committed to safeguarding client information by holding it in the strictest confidence. Only information that is necessary to effect, administer or enforce a transaction is gathered. Such information may include, but is not limited to, health and financial data submitted with account applications or other forms.

To protect its client's privacy, the Firm has implemented internal procedures designed to restrict access to personal information. It may, as necessary, disclose limited personal information to other financial institutions to facilitate the completion of their authorized activities or as otherwise authorized by the client. It is the policy of the Firm not to disclose non-public personal information to any non-affiliated third parties, except as required by law, and no change is anticipated in this policy in the future. Clients will be notified prior to the implementation of any changes to this policy, should that occur.

In some instances, federal and/or state regulators may be permitted by law to review Firm and client records. PWM will comply with such requests whenever mandated by law. The Firm does not, however, provide non-public personal information to mailing list vendors or solicitors under any circumstances. Any client information gathered by PWM will be maintained for the duration of that client's relationship with the Firm and beyond for a period of time specified by current or future regulations.

# **Prentice Wealth Management LLC**

**110 Linden Oaks Drive, Suite F**

**Rochester, New York 14625**

**(585) 218-0001**

[www.prenticewealth.com](http://www.prenticewealth.com)

## **Part 2B Brochure Supplement of Form ADV**

### **Item 1 – Cover Page**

At this time, Prentice Wealth Management LLC is managed through the collaborative efforts of Bill Prentice, its principal owner and an Investment Advisor Representative and Shawn Tesoro, the Chief Investment Officer charged with managing the Firm's Knightbridge platform. Bill Prentice further serves as the Firm's Chief Compliance Officer and Anti-Money Laundering Officer, responsible for the day-to-day supervision of the Firm's advisory activities. This Brochure Supplement provides information specific to these individuals in addition to that provided in the Prentice Wealth Management LLC Part 2A brochure. You should have received a copy of that brochure. If not, please contact Bill Prentice to receive one or if you have any questions about the contents of the brochure or this supplement. Additional information about Bill Prentice and other Investment Advisor Representatives of Prentice Wealth Management LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**February 11, 2020**

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## **Item 2 - Education and Business Standards**

PWM requires that advisors be full-time associates of the Firm, have a bachelor's degree from an accredited university and participate on an ongoing basis in related coursework or training focused on furthering their knowledge of financial planning and tax planning. Examples of acceptable coursework objectives include advanced degrees and professional designations such as MBA, CFP<sup>®</sup>, CFA<sup>®</sup>, ChFC<sup>®</sup>, JD, AWMA<sup>®</sup>, CTFA, EA, CIMA<sup>®</sup> or CPA. Upon achieving one or more of these advanced degrees or industry- recognized professional designations, advisors are required to participate in ongoing continuing education programs sufficient to maintain their degrees or designations in a current, active and good standing status. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management along with a demonstrated knowledge of and compliance with federal, state and industry regulations governing the financial industry.

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## **Professional Certifications**

Some associated persons of PWM have earned the following professional designations, certifications and/or credentials that are required to be explained in further detail:

**Certified Financial Planner (CFP<sup>®</sup>)**: Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP<sup>®</sup> Certification Exam.
- Three-year qualifying related full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.
- Completion of ongoing Continuing Education requirements as established by the CFP Board.
- The CFP Board requires thirty (30) hours of continuing education (CE) accepted by CFP Board (including completion of two (2) hours from a CFP Board-approved program on CFP Board's *Standards of Professional Conduct*) to maintain their certification in good standing.

**Accredited Wealth Management Advisor (AWMA<sup>®</sup>)**: Accredited Wealth Management Advisors are licensed by the College of Financial Planning to use this designation. Individuals who hold the AWMA<sup>®</sup> designation have completed a course of study encompassing wealth strategies, equity-based compensation plans, tax reduction alternatives, and asset protection alternatives. AWMA<sup>®</sup> designation requirements:

- Completion of a 120-150 hour self-study program within one year of enrollment.
- Individuals are required to pass an online, timed and proctored end-of-course examination with a 70% score or higher.

- After successful completion of the end-of-course examination, individuals must apply for authorization to use the designation. The application includes:
  1. Adherence to the following Standards of Professional Conduct
    - Integrity - Provide professional services with integrity, honor, fairness, and dignity and maintain client trust and confidence.
    - Objectivity - Maintain objectivity and impartiality with respect to services rendered and advice given.
    - Competency - Maintain an adequate level of knowledge and skill and effectively apply that knowledge while recognizing its limitations.
    - Confidentiality - Keep client information confidential, disclosing only when authorized or compelled by law.
    - Professionalism - Comply with all laws and regulations as required and applicable, refraining from actions that bring dishonor to you or your profession.
  2. Self-Disclosure - Applicants must disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.
  3. Adherence to Terms and Conditions - The Terms and Conditions outline designees' rights to use the College's Marks and acknowledge the rights of the College to protect the Marks from unauthorized use by individuals or entities.
- Following initial conferment of one of the professional designation, authorization for continued use of the credential must be renewed every two years by completing 16 hours of continuing education; reaffirming compliance with the Standards of Professional Conduct, Terms and Conditions; and complying with self-disclosure requirements.
- The College monitors its designees' compliance with the designation requirements and standards. Any alleged violations are subject to disciplinary procedure.
- If a violation of the Standards of Professional Conduct is found, disciplinary sanctions shall be based on the seriousness of the situation and may include, but are not limited to, reprimand, suspension or revocation of the designation.

**Certified Investment Management Analyst (CIMA®):**

CIMA certificates are permitted by the Investment Management Consultants Association (IMCA) to utilize and display the CIMA® professional designation upon completion of a rigorous advanced educational program culminating a comprehensive competency examination. This designation is directed at established investment management professionals and requires, on average, approximately one year of advanced study to complete. IMCA dictates that candidates meet specific eligibility requirements, inclusive of the “four Es” of experience, education, examination and ethics.

The certification process requires that all candidates complete the following five sequential steps successfully to earn the CIMA certification:

- Submit a CIMA Certification Program Application and fee and undergo a thorough background check.
- Pass a Qualification Examination.
- Complete the IMCA’s required educational training criteria through one of three approved Registered Education Providers which currently are:
  - i. Carnegie Mellon University/Tepper School of Business
  - ii. The University of Chicago/Booth School of Business
  - iii. University of Pennsylvania/The Wharton School
- Pass IMCA’s online Certification Examination
- Sign a licensing agreement, submit an initial certification fee and agree to adhere to IMCA’s Code of Professional Responsibility, Standards of Practice and Rules and Guidelines for Use of the Marks.

Following initial certification, CIMA certificants must complete and report to IMCA an ongoing minimum Continuing Education requirement of forty (40) hours of training, inclusive of two (2) hours related to professional ethics, every two years to maintain their certification in good standing.

**Chartered Financial Analyst Charterholder (CFA®/Chartered Financial Analyst®):**

These marks are commonly referred to as the “CFA Marks.” They are recognized symbols of professionalism and integrity that distinguish charterholders from other investment professionals around the world. The uses of the CFA Marks are governed by the Code of Ethics and standard VII(B) of the Standards of Professional Conduct and applicable laws. CFA Marks can only be used by charterholders who paying members of CFA Institute not subject to certain Professional Conduct violations and whose rights to use the CFA designation have not been suspended or revoked. Use of the CFA Marks signifies that you have earned the prestigious CFA charter. It is important to use these marks properly and to be mindful of improper use or infringement.

The certification process requires that all candidates complete the following to earn the CFA®/Chartered Financial Analyst® designation;

- Hold a bachelor’s degree from an accredited academic institution or have equivalent education or work experience as determined by CFA Institute
- Have attained one (1) or more of the following:
  - (i) 4,000 hours of Acceptable Professional Work Experience completed during a period of not less than 36 months and passage of Level I of the CFA Program, or such other appropriate examination approved by the Board;



- (ii) 4,000 hours of Acceptable Professional Work Experience completed during a period of not less than 36 months and passage of a standards of professional conduct examination approved by the Board;
  - (iii) be a Charterholder Member; or
  - (iv) 4,000 hours of Acceptable Professional Work Experience completed during a period of not less than 36 months and be a voting member in good standing of an organization with whom CFA Institute or its Member Societies have combined through merger, acquisition or otherwise, provided that the Board of Governors has approved Regular Membership by a 2/3 affirmative vote.
- Sign and submit to CFA Institute a Member's Agreement and a Professional Conduct Statement; and
  - Complete any additional application procedures or requirements established by CFA Institute.

### **Enrolled Agent (EA):**

An enrolled agent is a person who has earned the privilege of representing taxpayers before the Internal Revenue Service by either passing a three-part comprehensive IRS test covering individual and business tax returns, or through experience as a former IRS employee. Enrolled agent status is the highest credential the IRS awards. Individuals who obtain this elite status must adhere to ethical standards and complete 72 hours of continuing education courses every three years.

Enrolled agents, like attorneys and certified public accountants (CPAs), have unlimited practice rights. This means they are unrestricted as to which taxpayers they can represent, what types of tax matters they can handle, and which IRS offices they can represent clients before.

### **Certified Divorce Financial Analyst (CDFA®):**

Divorce Financial Planning is the application of the discipline of financial planning to settlement strategies in divorce. The process requires the synthesis of tax, insurance, retirement and other areas of knowledge with their specific application to divorce. The eligibility requirements were established by the Board of Advisors and reflect the fact that this is not an entry-level designation but an advanced program.

Individuals with a minimum of three years of professional experience in finance or divorce and a Bachelors degree are eligible to enroll in the CDFA® Program. IDFA will accept ten years of professional experience from those candidates that do not have a Bachelor's degree. This includes experience as a financial professional, accountant, or matrimonial lawyer. Candidates should also have working knowledge of financial calculators before purchasing the program

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**William J. Prentice II, CFP<sup>®</sup>, AWMA<sup>®</sup>, CIMA<sup>®</sup>, Managing Partner and Chief Compliance Officer**

**Educational Background:**

- Born 1976
- Post-Secondary Education
  - Cayuga Community College-Associate of Applied Science/Accounting, 1997
  - Rochester Institute of Technology–Bachelor of Science/Finance, 1999
- FINRA Securities Licenses
  - Series 7            Series 65
  - Series 24        Series 6            Series 63
- Other Professional Licenses
  - Licensed in New York State for life, health, fixed annuities and variable insurance products. Also, Insurance licensed in District of Columbia, Maryland, Massachusetts, North Carolina, Hawaii, Florida, Colorado, Texas, Rhode Island, Virginia
- Professional Designations
  - Certified Investment Management Analyst (CIMA<sup>®</sup>), since 2014.
  - Certified Financial Planner<sup>®</sup> (CFP<sup>®</sup>), since 2011.
  - Accredited Wealth Management Advisor (AWMA<sup>®</sup>), since 2010.

**Business Experience:**

- January 2012 to Present Managing Partner, Chief Compliance Officer & Investment Advisor Representative of Prentice Wealth Management LLC, a SEC-registered investment advisory firm.
- February 2008 to Present Investment Advisor Representative of Cadaret, Grant & Co., Inc., a SEC-registered investment advisory firm and FINRA/SIPC-member securities broker/dealer.
- February 2008 to Present President & Registered Principal of Prentice Wealth Management LLC, a registered branch office of Cadaret, Grant & Co., Inc., a FINRA and SIPC member securities broker/dealer.
- February 2005 to February 2008 Vice President of Westminster Financial LLC.
- November 1998 to February 2005 Financial Representative of Northwestern Mutual Life Insurance Company.

**Anthony R. Vaccaro CFA<sup>®</sup>, EA, CDFAs<sup>®</sup> Tax Advisor and Wealth Analyst**

**Educational Background:**

- Born 1978
- Post-Secondary Education  
University of Dayton, Dayton, OH, December 2000  
B.S. in Business Administration - Finance
- FINRA Securities Licenses  
Series 7 Series 24  
Series 31 Series 65 Series 66
- Other Professional Licenses  
Licensed in New York State for life, health, fixed annuities and variable insurance products.
- Professional Designations  
Chartered Financial Analyst (CFA<sup>®</sup>) since 2014  
Certified Divorce Financial Analyst<sup>™</sup> (CDFAs<sup>®</sup>) since 2020
- Enrolled Agent since April 2018

**Business Experience:**

- May 2017 to Present Investment Advisor Representative of Prentice Wealth Management LLC, a SEC-registered investment advisory firm.
- May 2017 to Present Investment Advisor Representative of Cadaret, Grant & Co., Inc., a SEC-registered investment advisory firm and FINRA/SIPC-member securities broker/dealer.
- October 2016 to May 2017, Financial Adviser, Candace Shira Associates, LLC, Pittsford, NY
- February 2013 to October 2016, Chief Investment Officer, MRM Wealth Management, LLC, Penfield, NY
- September 2005 to January 2013, Branch Manager, Scottrade, Inc., Rochester, NY
- March 2005 to September 2005, Investment Consultant, Brighton Securities, Rochester, NY
- April 2002 to March 2005, Senior Client Service Associate, Paychex, Inc., East Rochester, NY
- February 2001 to November 2001, Financial Advisor, Morgan Stanley, Rochester, NY

## **Timothy H. Olsen AWMA® Wealth Planner**

### **Educational Background:**

- Born 1970
- Post-Secondary Education
  - Monroe Community College
  - St. John Fisher College
- FINRA Securities Licenses
  - Series 7, Series 6, Series 63
- Other Professional License
  - New York State Life and Health
- Professional Designations
  - Accredited Wealth Management Advisors (AWMA®)

### **Business Experience**

- July 2020 to present Prentice Wealth Management
- September 2018 – July 2020 Financial Advisor at Prudential Advisors.
- February 2018 – September Unemployed
- January 2014 -February 2018 Assistant Vice President Wealth Advisor Tompkins Financial Advisors RIA and Broker dealer licensed with LPL Financial LLC
- January 2000 – December 2010 Financial Analyst AM&M Financial Services SEC registered RIA. Brokerage through Ensemble Financial Services, Inc

## **Michelle D. Werth, Investment Advisor Representative**

### **Educational Background:**

- Born 1974
- Post-Secondary Education  
University of Massachusetts, Amherst, Massachusetts, 1992-1996  
B.A. Education, minor: Sociology
- FINRA Securities Licenses  
Series 7 Series 24  
Series 63
- Other Professional Licenses  
Licensed in New York State for life, health, fixed annuities and variable insurance products.
- Professional Designations  
none

### **Business Experience:**

- January 2019 to Present Investment Advisor Representative of Prentice Wealth Management LLC, a SEC-registered investment advisory firm.
- January 2019 to Present, Registered Advisor of Cadaret, Grant & Co., Inc., a SEC-registered investment advisory firm and FINRA/SIPC-member securities broker/dealer, Fayetteville, NY
- July 2014 to December 2018, Senior Relationship Manager, Putnam INV./Putnam Retail Management, Boston, MA
- April 2010 to July 2014, VP Marketing, Cadaret, Grant & CO., Inc., Syracuse, NY

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### **Item 3 – Disciplinary Information**

No associated persons of PWM have been the subject of any financial industry-related disciplinary actions.

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

As previously stated, PWM's Investment Advisor Representatives are also Registered Representatives of Cadaret, Grant & Co., Inc., a FINRA- and SIPC-member securities broker/dealer. As such, they may promote and sell commission-based investment products offered through the broker/dealer to non-advisory clients. They may also be licensed to sell insurance products for which they may receive standard commissions.

William J. Prentice II has the following outside business activities: Rochester Institute of Technology(RIT), Rochester, NY, start 2000, non-investment related, Chairperson of the Regional Engagement Committee for the Alumni Advisory Board of Directors, 4-6 days annually, member Emeritus of Saunders College of Business Alumni Advisory Council, Advisory activities to current board members, member at Large

Saunders College of Business Deans Advisory Council, Advisory activities to the sitting dean, 2-3 days annually; HRM Options LLC, Rochester, NY, non-investment related, consulting, 10% owner, start 9/11, less than 2 hours monthly, Human resource outsourcing and employee benefits consultation; Insurance sales through various companies, start 2006, sell life, accident, and health, variable life and annuity products; Prentice Wealth Management LLC (PWM), Rochester, NY, RIA, managing partner, start 2/12, client relations, financial planning, investment management selection; Knightbridge Capital, Rochester NY, DBA/marketing name for PWM investment services since 1/16/2013, portfolio analysis and management, 35% of time spent, 100% of business; WJP2 LLC, Rochester, NY, non-investment related, real estate holding company, owner, start 1/2011, less than 10 hours monthly, holding company for business office located at 110 Linden Oaks, Rochester, NY.

Timothy H. Olsen has the following outside business activities: Rush Henrietta Soccer Club, start 10/2016, Board Member at large. Help set up a team for the season, recruit coaches and train them, look for sponsors for the season and help deal with any issues that may come up.

Michelle D. Werth has the following outside business activities: Managing Member of Werth Wealth Planning, start 12/2018, client relations, investment management. Investment Advisor Representative of Cadaret, Grant & Co., Inc., start 1/2019, in its capacity as an SEC Registered Investment Advisor, Michelle Werth is also a Registered Representative of Cadaret, Grant & Co., Inc., in its capacity as a FINRA member Broker-Dealer, Registered Representatives may receive commission compensation based on the sale of securities and other investment products and may also receive service (“trail”) fees from the sale of mutual funds.

No other outside business activities have been disclosed for the Investment Advisor Representatives of Prentice Wealth beyond their duties at PWM.

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

Investment Advisor Representatives of the Firm may also be licensed as life, health and long-term care insurance agents and may be compensated through separate and standard commissions for the sale of life insurance and insurance-related products and services. Registered Representatives of Cadaret, Grant & Co., Inc. may also receive separate and standard commission-based compensation through the sale of securities products through the broker/dealer.

Prentice Wealth does not share in the compensation generated by these activities.

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#### **Item 6 – Supervision**

In his capacity as the Firm’s Chief Compliance Officer, Mr. Prentice is charged with the overall compliance supervision of the Firm and its advisors. As the CCO, he is

accountable to the SEC and state regulatory authorities and under their direct supervision through the periodic examination of the Firm's policies, procedures, books and records by those agencies. As an advisor of the Firm, his advisory activities are supervised by the Firm's Investment Committee. Mr. Prentice may be contacted by telephone at (585) 218-0001 or by email at [wprentice@prenticewealth.com](mailto:wprentice@prenticewealth.com).

As Investment Advisor Representatives of an SEC-registered investment advisory firm, Mr. Prentice, Mr. Vaccaro, Mr. Olsen, and Mrs. Werth are ultimately governed by financial industry regulations imposed by the SEC, State of New York and other states in which they are registered to conduct advisory business. The day to-day advisory activities of the Firm and its advisors, however, are supervised by Mr. Prentice, the Firm's CCO. It is the CCO's responsibility to monitor, supervise and subject to ongoing reviews all Firm operations to ensure full compliance with industry regulations and the Firm's established policies and procedures. Mr. Prentice can be reached via telephone at (585) 218-0001 or email at [wprentice@prenticewealth.com](mailto:wprentice@prenticewealth.com).

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**Item 7 – Arbitration Claims**

No arbitration actions have been filed against any associated persons of PWM.

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**Item 8 – Self-Regulatory Organization or Administrative Proceeding**

No associated person of PWM has been a party in any such proceedings.

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**Item 9 – Bankruptcy Petition**

No associated person of PWM has been a party in any bankruptcy proceedings.