

BROWN WEALTH MANAGEMENT, LLC

ADV Part 2A, Brochure
Dated: February 4, 2017

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This Brochure provides information about the qualifications and business practices of Brown Wealth Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 952-303-6715 or at Tim@BrownWealth.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 Brown Wealth Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Brown Wealth Management, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes made to this ADV Part 2A, Brochure since the March 26, 2016 Annual Amendment filing.

Brown Wealth Management, LLC’s Chief Compliance Officer, Timothy B. Brown, remains available to address any questions that a client or prospective client may have regarding this Brochure.

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Item 4 Advisory Business

- A. Brown Wealth Management (the “Registrant”) is a limited liability company formed on January 15, 2003 in the State of Minnesota. Registrant was originally registered as an Investment Adviser on August 15, 2002. Registrant is principally owned by Timothy B. Brown, who is Registrant’s Principal and Chief Compliance Officer.
- B. As discussed below, Registrant offers to its clients (generally, individuals, high net worth individuals, pension and profit sharing plans) investment advisory services, financial planning and related consulting services, and retirement plan consulting services.

INVESTMENT ADVISORY SERVICES

Clients may engage Registrant to provide discretionary investment advisory services on a *fee-only* basis. Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under Registrant’s management or advisement. Before engaging Registrant to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the fee that is due from the client.

To commence the investment advisory process, the Registrant will provide a Confidential Questionnaire for the client to complete. Upon receipt of the completed Confidential Questionnaire, Registrant will schedule a free introductory meeting to develop the client’s investment objectives, explain the advisory process, and to help the client select from the available investment advisory service options which include: “Full Retainer,” “Retainer Light,” and “Investment Management,” as described below.

Full Retainer Service - Personalized Investment Management, Consulting, and Financial Planning

For clients seeking to invest at least \$1,000,000, the Registrant may offer its Full Retainer Service that combines investment management services with financial planning and consulting services (including limited consulting regarding investment assets that are not subject to Registrant’s management). More specifically, the Full Retainer Service includes:

- A personalized analysis of the client’s financial situation focusing upon such issues as: cash flow, net worth, investment strategy, tax planning, retirement planning, business planning, estate planning, stock option planning, and other areas specifically requested by the client and agreed to by the Registrant;
- Specific and actionable recommendations;
- Up to three meetings per year to review financial planning issues, tax planning, implementation recommendations, and allocation options. During the first year, the Registrant may conduct up to five personal meetings to address these issues;
- Constructing a portfolio generally consisting of one any combination of the following: individual equities, bonds, exchange traded funds (“ETFs”), index funds, and no-load and load-waived mutual funds;

- Ongoing investment management services, including the rebalancing or reallocation of investment assets on a discretionary basis based on Registrant's review of account performance and allocation as compared to investment objectives;
- Ongoing review and advice relative to investment assets that the client has not designated for Registrant's direct management; and
- Access to institutional investment management portfolios.

Retainer Light Service - Personalized Investment Management and Financial Planning

For clients seeking to invest at least \$500,000, the Registrant may offer its Retainer Light Service that combines investment management services with financial planning and consulting services. More specifically, the Retainer Light Service includes:

- A personalized analysis of the client's financial situation focusing upon such issues as: cash flow, net worth, investment strategy, tax planning, retirement planning, business planning, estate planning, stock option planning, and other areas specifically requested by the client and agreed to by the Registrant;
- Specific and actionable recommendations;
- One meeting per year to review financial planning issues, tax planning, implementation recommendations, and allocation options;
- Constructing a portfolio generally consisting of one any combination of the following: individual equities, bonds, ETFs, index funds, and no-load and load-waived mutual funds;
- Ongoing investment management services, including on Registrant's ongoing review of account performance and allocation as compared to investment objectives, and the rebalancing of investment assets on a discretionary basis; and
- Access to institutional investment management portfolios.

Investment Management Service – Stand Alone

For clients that choose not to engage in the Full Retainer or Retainer Light Services described above, the Registrant also offers Investment Management Services on a stand-alone basis. Under this service offering, the Registrant will first ascertain each client's investment objectives and then construct a recommended portfolio consistent with the designated investment objectives. The recommended portfolio will generally consist of any combination of the following: individual equities, individual bonds, ETFs, index funds, and no-load and load-waived mutual funds. Once allocated, the Registrant provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives, and may rebalance and/or may recommend that clients rebalance accounts as necessary based on such reviews.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

To the extent specifically requested by a client, Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, cash flow analysis, net worth analysis, investment strategy, tax planning, retirement planning, business planning, estate planning, stock option planning, and other areas specifically requested by the client and agreed to by the Registrant) on a stand-alone separate fee basis.

Before engaging Registrant to provide planning or consulting services, clients are required to enter into a Financial Planning and Consulting Agreement with Registrant setting forth the terms and conditions of the engagement (including termination), describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. The services will generally include a personalized analysis of the client's financial situation focusing upon such issues as: cash flow, net worth, investment strategy, tax planning, retirement planning, business planning, estate planning, stock option planning, and other areas specifically requested by the client and agreed to by the Registrant;

If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. 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 Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

RETIREMENT PLAN CONSULTING SERVICES

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

MISCELLANEOUS

Non-Discretionary Service Limitations. Clients that have determined to engage Registrant on a non-discretionary investment advisory basis **must be willing to accept** that Registrant cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, Registrant will be unable to effect the account transaction(s) (as it would for its discretionary clients) **without first obtaining the client's consent.**

Limitations of Non-Investment Consulting/Implementation Services. **To the extent requested by the client,** Registrant may provide consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. The Registrant does not serve as a law firm, accounting firm, or insurance agency, and no portion of Registrant's services should be construed as legal, accounting, or insurance implementation services. Accordingly, Registrant does not prepare estate planning documents, tax returns, or sell insurance products. To the extent requested by a client, Registrant may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client

retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Registrant. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

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

AllData Advisor Platform. Registrant may provide its clients with access to an online platform hosted by Fiserv called the "AllData Advisor" platform. The AllData platform allows a client to view his/her/its complete asset allocation, including those assets that Registrant does not manage (the "Excluded Assets"). Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Registrant shall not be responsible for the investment performance of the Excluded Assets. **Rather, the client and/or his/her/its advisor(s) that maintain management authority for the Excluded Assets, and not Registrant, shall be exclusively responsible for such investment performance.** The client may choose to engage Registrant to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Registrant and the client. Finally, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in other functions available on the AllData (or related) platform without Registrant's assistance or oversight.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Registrant) will be profitable or equal any specific performance level(s).

Trade Error Policy. Registrant shall reimburse accounts for losses resulting from Registrant's trade errors.

Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest: A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn an advisory fee on the rolled over assets. **No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. Registrant's Chief Compliance Officer, Timothy B. Brown remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.**

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

Disclosure Statement. A copy of Registrant's written disclosure statement as set forth on Part 2 of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the applicable form of client agreement. Any client who has not received a copy of Registrant's written disclosure statement at least 48 hours prior to executing the applicable form of client agreement shall have five business days subsequent to executing the agreement to terminate the Registrant's services without penalty.

- C. Registrant shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Registrant shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Registrant's services.
- D. Registrant does not participate in a wrap fee program.
- E. As of January 20 2017, Registrant had \$79,285,363 in assets under management on a discretionary basis and \$11,782,048 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

A. INVESTMENT ADVISORY SERVICES

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

Full Retainer Service* - Personalized Investment Management, Consulting, and Financial Planning

<u>Market Value of Assets under Management or Advisement</u>	<u>% of Assets</u>
First \$1,000,000	1.00%
Next \$1,000,000	0.80%
Next \$2,000,000	0.50%
Next \$6,000,000	0.20%
Amounts Exceeding \$10,000,000	Negotiable

*For Full Retainer Services, Registrant requires a minimum annual fee of \$12,000. Please see Item 7 below for more information about this minimum fee.

The above fees do not include initial financial planning fees, which are generally charged according to the description contained in the Financial Planning and Consulting Services section below.

Retainer Light Service** - Personalized Investment Management and Financial Planning

<u>Market Value of Assets under Management</u>	<u>% of Assets</u>
First \$1,000,000	1.00%
Next \$1,000,000	0.80%
Next \$2,000,000	0.50%
Next \$6,000,000	0.20%
Amounts Exceeding \$10,000,000	Negotiable

**For Retainer Light Services, Registrant requires a minimum annual fee of \$7,000. Please see Item 7 below for more information about this minimum fee.

The above fees do not include initial financial planning fees, which are generally charged according to the description contained in the Financial Planning and Consulting Services section below.

Investment Management Service – Stand Alone

<u>Market Value of Assets under Management or Advisement</u>	<u>% of Assets</u>
First \$2,000,000	0.75%
Next \$2,000,000	0.50%
Next \$6,000,000	0.20%
Amounts Exceeding \$10,000,000	Negotiable

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

Registrant may determine to provide financial planning and/or consulting services (including investment and non-investment related matters, including estate planning, insurance planning, cash flow analysis, net worth analysis, investment strategy, tax planning, retirement planning, business planning, estate planning, stock option planning, and other areas specifically requested by the client and agreed to by the Registrant) on a stand-alone separate fee basis. Registrant's financial planning and consulting fees are negotiable, but are generally \$300 per hour on an hourly rate basis, or range between \$3,000 to \$10,000 on a fixed fee basis, depending upon the level and scope of the service(s) required.

RETIREMENT PLAN CONSULTING SERVICES

The Registrant also provides non-discretionary retirement plan consulting services, pursuant to which it assists sponsors of self-directed retirement plans and defined benefit plans with the selection and/or monitoring of investment alternatives. The terms and conditions of the engagement shall generally be set forth in a Retirement Plan Consulting Agreement between the Registrant and the plan sponsor. The Registrant charges a negotiable annual fee for retirement plan consulting services, which generally ranges from 0.10% to 0.50% of plan assets depending on the level and scope of services requested, and the size of the plan.

- B. Clients may elect to have Registrant's advisory fees deducted from their custodial account. Both Registrant's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Registrant's investment advisory fee and to directly remit that fee to Registrant in compliance with regulatory procedures. In the limited event that Registrant bills the client directly, payment is due upon receipt of Registrant's invoice.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Registrant shall generally recommend TD Ameritrade Institutional, a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA ("TDA") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as TDA charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Registrant's investment advisory fees, brokerage commissions and/or transaction fees, clients will incur, relative to all mutual fund and ETF purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. The investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets under management and/or advisement on the first business day of the last month of the previous billing quarter. One-fourth of the investment advisory fee is due and payable upon the execution of the applicable form of client agreement, and the remaining balance will be equally billed or deducted from client's account at three month intervals. Thereafter, the investment advisory fee will be re-set at the beginning of each following 12-month period. The applicable form of agreement between Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of such agreement. Upon termination of

the agreement, Registrant shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter, or debit or bill the client's account for the pro-rated portion of the unearned advanced fee based upon the number of days remaining in the quarter, as applicable.

- E. Neither Registrant, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

Neither Registrant nor any supervised person of Registrant accepts performance-based fees.

Item 7 Types of Clients

Registrant's clients generally include individuals, and high net worth individuals. Registrant generally requires a minimum annual fee of \$12,000 for Full Retainer Services and \$7,000 for Retainer Light Services. Therefore, clients engaged in the Full Retainer Services maintaining less than \$1,250,000 in assets under management or advisement, who are subject to the \$12,000 minimum fee, may pay a higher percentage annual investment advisory fee than the 1.00% referenced in Item 5.A. above. Likewise, clients engaged in the Retainer Light Services maintaining less than \$700,000 in assets under management, who are subject to the \$7,000 minimum fee, may pay a higher percentage annual investment advisory fee than the 1.00% referenced in Item 5.A. above. However, Registrant, in its sole discretion, may reduce its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. The Registrant may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
 - Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

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

- B. Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis Registrant must have access to current/new market information. Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

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

- C. Currently, Registrant primarily allocates client investment assets among various individual equities, bonds, ETFs, index funds, and no-load and load-waived mutual funds on a discretionary or non-discretionary basis in accordance with the client's designated investment objective(s). In certain limited cases, Registrant may also recommend the allocation of investment assets to Real Estate Investment Trusts ("REITs") and Structured Notes, which each involve a higher level of inherent risk and liquidity constraints.

REITs. REITs are subject to risks generally associated with investing in real estate, such as: possible declines in the value of real estate; adverse general and local economic conditions; possible lack of availability of mortgage funds; changes in interest rates; and environmental problems. In addition, REITs are subject to certain other risks related specifically to their structure and focus such as: dependency upon management skills; limited diversification; the risks of locating and managing financing for projects; heavy cash flow dependency; possible default by borrowers; the costs and potential losses of self-liquidation of one or more holdings; the possibility of failing to maintain exemptions from securities registration; and, in many cases, relatively small market capitalization, which may result in less market liquidity and greater price volatility. **In the event that a client has any questions regarding the purchase of REITs for his/her/its account, the Registrant's Chief Compliance Officer, Timothy B. Brown, remains available to address them.**

Structured Notes. A structured note is a financial instrument that combines two elements, a debt security and exposure to an underlying asset or assets. It is essentially a note, carrying counter party risk of the issuer. However, the return on the note is linked to the return of an underlying asset or assets (such as the S&P 500 Index or commodities). It is this latter feature that makes structured products unique, as the payout can be used to provide some degree of principal protection, leveraged returns (but usually with some cap on the maximum return), and be tailored to a specific market or economic view. In addition, investors may receive long-term capital gains tax treatment if certain underlying conditions are met and the note is held for more than one year. Finally, structured notes may also have liquidity constraints, such that the sale thereof prior to maturity may be limited. **In the event that a client has any questions regarding the purchase of structured notes for his/her/its account, the Registrant's Chief Compliance Officer, Timothy B. Brown, remains available to address them.**

Item 9 Disciplinary Information

Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Registrant has no relationship or arrangement with a related person that is material to its advisory business.
- D. Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.
Registrant also maintains and enforces policies reasonably designed to prevent the misuse of material non-public information by Registrant or any person associated with Registrant.
- B. Neither Registrant nor any of its related persons recommends, buys, or sells for client accounts, securities in which Registrant or any related person of Registrant has a material financial interest.

- C. Registrant and/or representatives of Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where Registrant and/or representatives of Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of Registrant’s clients) and other potentially abusive practices.

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

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

Item 12 Brokerage Practices

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

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

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

1. Research and Additional Benefits

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

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

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

Registrant's Chief Compliance Officer, Timothy B. Brown, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

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

Please Note: In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Registrant. Higher transaction costs adversely impact account performance. **Please Also Note:** Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts. **Registrant's Chief Compliance Officer, Timothy B. Brown, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

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

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by Timothy B. Brown. All investment advisory clients are advised that it remains their responsibility to advise Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review investment objectives and account performance with Registrant on an annual basis.

Registrant generally reviews all client accounts on a periodic basis and meets with Full Retainer clients on a tri-annual basis. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. During each meeting with the client, Registrant discusses the client's accounts and securities portfolio(s) along with other matters, such as insurance or tax matters, that are relevant to the client's investment objectives. Where necessary, in light of the client's particular investment objectives, Registrant recommends changes to the client's securities portfolio(s).

Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event such as a market correction, large deposits or withdrawals from an account, substantial changes in the value of a client's portfolio, change in the client's investment objectives and client request.

- B. Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for their accounts.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.1 above, Registrant may receive economic benefits from TDA including support services, without cost (and/or at a discount). Registrant's clients do not pay more for investment transactions effected and/or assets maintained at TDA as a result of this arrangement. There is no corresponding commitment made by Registrant to TDA or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.
- B. Registrant does not directly or indirectly compensate any person or entity in the event that a client is introduced to Registrant for referral purposes.

Item 15 Custody

It is Registrant's policy to not accept physical custody of a client's securities. In other words, Registrant is not granted access to a client's accounts which would enable Registrant to withdraw or transfer or otherwise move funds or cash from any client account to Registrant's accounts or the account of any third party (other than for purposes of fee deductions, as explained below).

The State of Minnesota deems that an advisor has custody, among other things, if they have the authority to withdraw funds or securities from a client's account. Registrant may have written authorization to deduct its fees directly from the client's account at TDA. Registrant employs measures to ensure that the fee calculation and deduction are accurate, such as, comparing the client's current and previous billing statement, reviewing the overall reasonableness of aggregate fees collected based on aggregate assets under management, and sending client's quarterly billing statements that show fee calculations. **Please Note:** The account custodian does not verify the accuracy of Registrant's advisory fee calculation.

All of Registrant's clients receive account statements directly from qualified custodians, such as a bank or broker-dealer / custodian that maintains those assets. The client should carefully review these account statements, and compare them to any reports provided by Registrant. Statements provided by Registrant may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Registrant urges all of Registrant's clients to compare statements in order to ensure that all account transactions, including deductions to pay advisory fees, remain proper, and to contact us with any questions.

Item 16 Investment Discretion

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

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

Item 17 Voting Client Securities

- A. Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. Registrant does not solicit fees of more than \$500, per client, six months or more in advance.
- B. Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Registrant has not been the subject of a bankruptcy petition.

Item 19 Requirements for State Registered Advisers

- A. Timothy B. Brown is the Registrant's principal executive officer and management person. Please refer to the Registrant's ADV Part 2B, Brochure Supplement, for more information about Mr. Brown.
- B. Registrant is not actively engaged in any other business.
- C. Neither Registrant, nor its management person accepts performance-based fees.
- D. Neither Registrant, nor its management person has been the subject of any disciplinary actions.
- E. Neither Registrant, nor its management person has any relationship or arrangement with any issuer of securities.

ANY QUESTIONS: Registrant's Chief Compliance Officer, Timothy B. Brown, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.

Item 1 Cover Page

A.

Timothy B. Brown

BROWN WEALTH MANAGEMENT, LLC

ADV Part 2B, Brochure Supplement

Dated: February 4, 2017

Contact: Timothy B. Brown, Chief Compliance Officer
12100 Singletree Lane, #175
Eden Prairie, MN 55344
952-303-6715
www.BrownWealth.com

B.

This Brochure Supplement provides information about Timothy B. Brown that supplements the Brown Wealth Management, LLC Brochure; you should have received a copy of that Brochure. Please contact Timothy B. Brown, Chief Compliance Officer, if you did *not* receive Brown Wealth Management, LLC's Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about Timothy B. Brown is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Education Background and Business Experience

Timothy B. Brown was born in 1965. He received his bachelor's degree from the University of Colorado, where he double- majored in Finance and Accounting. He is also graduate of the University of Minnesota's Carlson School of Management MBA Program.

Before founding Brown Wealth Management, LLC in 2002, Mr. Brown worked in the financial services industry at Deloitte Consulting and US Bank in Minneapolis, MN, and Fleet Bank in Hartford, CT. Mr. Brown has been the principal owner, Chief Compliance Officer and an Investment Adviser Representative of Brown Wealth Management, LLC since June 2002.

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

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 76,000 individuals have obtained CFP® certification in the United States.

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

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

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

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

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

Mr. Brown has also been a CFA® Charter Holder since 1994. CFA® designates an international professional certificate that is offered by the CFA Institute.

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

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

High Ethical Standards

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

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

Global Recognition

Regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA program curriculum into their own finance courses.

Comprehensive and Current Knowledge

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

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

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. The supervised person is not actively engaged in any other business or occupation for compensation.

Item 5 Additional Compensation

None.

Item 6 Supervision

Registrant provides investment advisory and supervisory services in accordance with current state regulatory requirements. Registrant's Chief Compliance Officer, Timothy B. Brown, is primarily responsible for overseeing the activities of Registrant's supervised persons. Mr. Brown also monitors accounts and conducts account reviews on at least an annual basis. Should a client have any questions regarding Registrant's supervision or compliance practices, please contact Mr. Brown at 952-303-6715.

Item 7 State-Registered Investment Advisors

- A. Mr. Brown has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Mr. Brown has never been the subject of a bankruptcy petition.

Item 1 Cover Page

A.

Philip J. Armstrong

BROWN WEALTH MANAGEMENT, LLC

**ADV Part 2B, Brochure Supplement
Dated: February 4, 2017**

Contact: Timothy B. Brown, Chief Compliance Officer
12100 Singletree Lane, #175
Eden Prairie, MN 55344
952-303-6715
www.BrownWealth.com

B.

This Brochure Supplement provides information about Philip J. Armstrong that supplements the Brown Wealth Management, LLC Brochure; you should have received a copy of that Brochure. Please contact Timothy B. Brown, Chief Compliance Officer, if you did *not* receive Brown Wealth Management, LLC's Brochure or if you have any questions about the contents of this Brochure Supplement.

Additional information about Philip J. Armstrong is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Education Background and Business Experience

Philip J. Armstrong was born in 1990. He received his Bachelor of Science degree in Accounting from Bob Jones University, in 2013. Mr. Armstrong has been an Investment Adviser Representative of Brown Wealth Management, LLC since October 2016. From August 2014 to September 2016, Mr. Armstrong was a Senior Associate at CohnReznick LLP and from September 2013 to July 2014, he was an Audit Associate at PwC LLP.

Mr. Armstrong has held the designation of Certified Public Accountant (“CPA”) since 2014. CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two-year period or 120 hours over a three-year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA’s *Code of Professional Conduct* within their state accountancy laws or have created their own.

In addition to the *Code of Professional Conduct*, AICPA members who provide personal financial planning services are required to follow the *Statement on Standards in Personal Financial Planning Services* (SSPFPS).

Item 3 Disciplinary Information

None.

Item 4 Other Business Activities

- A. The supervised person is not actively engaged in any other investment-related businesses or occupations.
- B. The supervised person is not actively engaged in any other business or occupation for compensation.

Item 5 Additional Compensation

None.

Item 6 Supervision

Registrant provides investment advisory and supervisory services in accordance with current state regulatory requirements. Registrant's Chief Compliance Officer, Timothy B. Brown, is primarily responsible for overseeing the activities of Registrant's supervised persons. Mr. Brown also monitors accounts and conducts account reviews on at least an annual basis. Should a client have any questions regarding Registrant's supervision or compliance practices, please contact Mr. Brown at 952-303-6715.

Item 7 State-Registered Investment Advisors

- A. Mr. Armstrong has never been involved in an arbitration proceeding or a civil, self-regulatory, or administrative proceeding.
- B. Mr. Armstrong has never been the subject of a bankruptcy petition.