

*O'Connor Wealth Management*

Form ADV Part 2A - Disclosure Brochure

Effective November 14, 2017

**This Disclosure Brochure provides information about the qualifications and business practices of O'Connor Wealth Management ("O'Connor"). If you have any questions about the contents of this Disclosure Brochure, please contact us at (626) 432-5450 or [joconnor@oconnorwealthmgt.com](mailto:joconnor@oconnorwealthmgt.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 O'Connor Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**O'Connor Wealth Management is a Registered Investment Advisor in the State of California. Please note that registration does not imply a certain level of skill or training. The Disclosure Brochure provides information about O'Connor to assist you in determining whether to retain the Advisor**

*O'Connor Wealth Management*

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## **Item 2 Material Changes**

SEC Rules require that we provide a summary of any material changes to this Disclosure Brochure and any subsequent Disclosure Brochures within 120 days of the close of our business' fiscal year. In addition, we will provide other ongoing disclosure information about material changes or an updated Disclosure Brochure when necessary.

This section "Item 2 Summary of Material Changes" will summarize any material changes that are made to the Disclosure Brochure. The Disclosure Brochure may be requested by contacting John V. O'Connor at 626-432-5450 or [joconnor@oconnorwealthmgt.com](mailto:joconnor@oconnorwealthmgt.com). Our Disclosure Brochure is also available on our website, [www.oconnorwealthmgt.com](http://www.oconnorwealthmgt.com)

Additional information about our firm can also be found on the SEC website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov)

There have been no material changes since the last ADV Part 2A was filed in 2016.

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#### Item 4 Advisory Business

A. Description of our business O'Connor Wealth Management ("O'Connor") has been a Registered Investment Advisor in California since January 2010. John O'Connor owns it 100%.

B. Description of advisory services we offer O'Connor has always been an independent firm specializing in financial planning and managing client portfolios.

Financial planning includes tax planning, insurance planning, retirement planning and estate planning. Financial planning services may include consultations and/or written financial plans, which analyze your financial situation and makes appropriate recommendations for strategies and methods of implementation of the strategies.

NOTE: A conflict exists between the interests of the investment advisor and the interests of the clients and the client is under no obligation to act upon the investment advisor's recommendations. If the client elects to act upon any of the recommendations, the client is under no obligation to affect the transaction through the investment advisor.

When managing client portfolios, we will take into consideration the client's financial personal situation, which includes employment status, cash reserves, retirement account values, current age, anticipated retirement date, other sources of income as well as their personal tolerance for risk and volatility. With this information, we will assist clients with developing an appropriate investment strategy. We will monitor and adjust the client portfolios in accordance with the agreed upon investment strategy.

In managing client portfolios, we utilize 2 methods.

When we manage your accounts, we use only general securities (stocks & bonds), mutual funds (including exchange traded funds or ETFs), government securities and options.

If you want to invest in what are being called "alternative investments" such as commodities, managed futures, private equity, currency or hedge funds, we will help you select and monitor other money managers investing in alternative investments. We have chosen the other money managers based on their relative costs, skills, reputation, dependability and compatibility with our clients, and NOT upon any financial *arrangement between O'Connor or John O'Connor, other than they split the fee they charge you with us.* It is basically a referral fee. (Please refer to Item 11-D)

NOTE: All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment advisor, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

C. We tailor our advisory services to your individual needs. All of our clients are different, so we tailor our services to meet your needs through individual consultations to discover your individual hopes, goals and dreams. We then analyze your current

investments and make suggestions on how to meet your individual hopes, goals and dreams. Of course, you may impose restrictions on investing in certain securities or types of securities. It is your portfolio after all. (Please refer to Item 16.)

D. Wrap fee programs O'Connor Wealth Management does not currently participate in wrap-fee programs but may do so in the future.

E. Amount of assets we manage As of November 14, 2017, O'Connor managed approximately \$51,800,000 on a non-discretionary basis. This does not include any funds with other money managers.

## **ITEM 5 FEES & COMPENSATION**

A. How are we compensated? Financial planning fees have 2 components. The negotiable hourly fee is up to \$350/hour and is paid after the consultations.

Written financial plan fees range from \$250 to \$2,000, depending on the complexity of your financial situation. Half the negotiable fee is due in advance, the rest upon presentation of the plan, which will always be well within 6 months of our engagement. If you cancel, any prepaid fees will be refunded on a pro-rated basis.

Managed money fees also have 2 components. The annual negotiable fee for doing so ranges from ½ of 1% to 2%, depending on the size and complexity of your account. The fee is paid quarterly, at the *start* of each quarter. If a client cancels, any prepayment of fees will be refunded on a pro rata basis.

If we help you select other money managers and we monitor them for you, the other money managers (registered or notice filed in California) pay us a portion of the fees generated by you. You do not directly pay for this service. (For an explanation of the other money managers' fee and services, please refer to their Form ADVs and other materials, available from us.)

NOTE: Lower fees for comparable services may be available from other sources.

B. How our fees are paid. With the client's permission through a Limited Power of Attorney, we can have your custodian withdraw our fees for managing your account at the beginning of each quarter. We recommend that method. You may also choose to have us bill you at the end of each quarter. It's your choice. Hourly fees are billed at the end of the month they were incurred. For written financial plans, half the fee is payable in advance, the rest upon presentation of the plan. (If you cancel, please see "D" below.)

C. Other types of fees. Our fees do not include transaction fees, brokerage commissions and other related costs and expenses, which we will pay. You may also pay fees charged by your custodian, mutual funds and other money managers, including: management fees,

custodial fees, mutual fund fees, taxes and transfer fees. We do not receive a portion of any of these fees. Simply put, they are a necessary part of doing business in the securities industry, and please remember that by not charging securities sales commissions, we are keeping your out-of-pocket expenses as low as we possibly can. (Please refer to item 12.)

D. Do we charge in advance? If we prepare a written financial plan for you, half the fee is due in advance, the rest upon presentation of the plan, which will always be within 6 months of our engagement. If you cancel within 5 business days, you'll get a 100% refund of all written financial planning fees. If you cancel after we have done over half the plan, no refund will be paid. If you cancel after 5 business days and before half the plan is finished, how much of the written financial plan that is actually completed when you cancel will depend on what percentage of the proposed chapters is completed. For example, if there are 10 chapters to be done, and we've completed 3, you'll get a 70% refund.

E. Do we get compensated (*commissions*) for the sales of securities? No one at O'Connor accepts commissions or any other form of compensation for *selling* you securities or other investment products. We can & do earn insurance commissions, however.

## **ITEM 6 PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

O'Connor Wealth Management does not charge performance based fees. O'Connor does not manage any proprietary investment funds or limited partnerships (for example a mutual fund or hedge fund) and has no financial incentive to recommend any particular investments options to its clients.

**ITEM 7  
TYPES OF CLIENTS**

Most of our clients are individuals or owners of small to mid-size businesses; many are high net worth individuals. We also have business & corporations, trusts, estates, charities and small pension and profit sharing plan clients.

O'Connor Wealth Management does not impose any requirements on the minimum account size for opening or maintaining an account.

**ITEM 8  
METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF  
LOSS**

A. Our analysis & strategies. We don't do technical security analysis but may subscribe to services that do perform such analyses. We do fundamental security analyses of businesses, which involves analyzing financial statements, its management & competitive advantages, and its competitors & markets. Fundamental analysis is performed on historical & present data, but with the goal of making financial forecasts, including stock price evolution, projection of business performance, management evaluations and credit risks.

We primarily read financial newspapers and magazines (including "The Wall Street Journal", "Financial Times", "Forbes", "Economist", "New York Times", and "Barrons"). We also study corporate rating services such as "Standard & Poors."

*YOU SHOULD BE AWARE THAT INVESTING IN SECURITIES INVOLVES RISK OF LOSS THAT YOU SHOULD BE PREPARED TO BEAR. THE FIRST DECADE OF THE 21<sup>ST</sup> CENTURY SHOULD HAVE PROVEN THAT.*

B. Material risks involved in our analysis or strategies. We feel our investment strategy is fairly conservative and we don't believe it involves significant or unusual risks. For example, we do not engage in frequent trading of securities as that can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

C. Do we recommend primarily a particular type of security? As mentioned earlier, we place client accounts in general securities (stocks & bonds), mutual funds, government securities and options, none of which are customarily considered to involve significant or unusual risk. But, as noted above, investing in securities ALWAYS INVOLVES RISKS.



**ITEM 9**  
**DISCIPLINARY INFORMATION**

There are no legal, regulatory or disciplinary events involving O'Connor Wealth Management or any of its advisors or other employees

**ITEM 10**  
**OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

A. Are we registered representatives of a securities broker/dealer? No one at O'Connor Wealth Management is or will ever be a securities broker/dealer or a securities registered representative.

B. Are we a futures commission merchant, commodity pool operator or a commodity trading advisor? No one at O'Connor Wealth Management is or ever will be futures commission merchant, a commodity pool operator or a commodity trading advisor or an associated person of the above-mentioned three entities.

C. Do we have any other financial relationships or arrangements that are material to our business? Yes. John O'Connor is a licensed insurance agent in the State of California. He sells insurance products for sales commissions, but not variable products such as variable annuities. Annuity products offered to clients are non-commissioned products only. Accordingly, you should be aware that a conflict exists between your interests and our interests; and you are under no obligation to act upon any of our recommendations. If you elect to act upon any of the recommendations, you are under no obligation to affect the insurance transactions through us.

D. Do we recommend other registered investment advisors and receive compensation? As noted in Item 5, on occasion, O'Connor recommends a few other money managers (licensed or notice filed with the State of California) to our clients. They are firms that specialize in investments we do not manage, primarily "alternative investments" like commodities or currency. This helps diversify your investments. We have chosen the other money managers based on their relative costs, skills, reputation, dependability and compatibility with our clients, and NOT upon any financial arrangement between O'Connor or John O'Connor, other than they split the fee they charge you with us. It is basically a referral fee. (Please refer to Item 11-D.)

**ITEM 11**  
**CODE OF ETHICS, PARTICIPATION OR INTEREST IN *CLIENT***  
**TRANSACTIONS AND PERSONAL TRADING**

A. Describe our Code of Ethics. Our Code of Ethics establishes ideals for ethical conduct based upon fundamental principles of openness, integrity & trust. It ensures that we always put your interests first. We hold ourselves to high standards and diligence. Taken as a whole, our Code of Ethics is our promise to work hard in your interests, with complete confidentiality and honesty. We will immediately provide a copy of our Code of Ethics to any client or prospective client upon request.

B. Do we have any material financial interests in investments we recommend? We will not recommend an investment to you in which we have a material financial interest. We do not act as a principal and buy securities from or sell securities to clients. We are not general partners in a partnership so we will not solicit your investments for such. We are not investment advisors to any investment company, so we will not solicit your investments for such. Our only financial affiliation is that John O'Connor has an insurance license, as disclosed before.

C. Do we invest in securities we recommend to you? On occasion, we may buy or sell securities we recommend to you. We have found over the years that clients like to invest in the same investments we do. That makes sense. If we like it for ourselves, why shouldn't our clients like it too, always depending on their investment goals, objectives and time frame. When we recommend investments we hold ourselves, we'll always disclose to you what we own and how much we own. We feel that there is just a tiny conflict of interest in owning the same securities as we recommend to you because the securities we recommend are widely held and publicly traded and we are too small advisors/investors to affect the market in widely held and publicly traded securities.

D. Do we buy or sell securities about the same time as you? No. In addition, we do not allow "front running" (buying or selling before you), or buying or selling securities contemporaneously with you. Since the fees the other money managers charge vary somewhat, we cannot detail them here. Their fees will be fully disclosed when we describe money managers we feel would be appropriate for you. However, their fees (which include our portion of the fee) will never exceed 2% per year. (Please refer to Item 10-D.)

**ITEM 12**  
**BROKERAGE PRACTICES**

A. Describe the factors we used in selecting a custodian. We have selected custodians based on its:

- Costs: Among the best in the world of custodians

- Skills: Very few mistakes so far
- Reputation: Other RIAs that use them have sworn by them. That's real important.
- Dependability: Rarely a problem
- Compatibility with you: These custodians deal mainly with independent RIAs like us serving clients like you.

We utilize the following custodians: TradePMR and TD Ameritrade Institutional, Fidelity, FTJFund Choice, Jefferson National, American Funds, and MTG, LLC dba Betterment Securities. They are among the leading custodial institutions used by a large number of advisor firms.

1. Soft dollars. We do not do "soft dollars". It is difficult to define, but a good example would be if a custodian offered us research or other benefits to place our clients with them.

2. Brokerage for client referrals. We don't do "brokerage for client referrals". By that we mean we haven't selected our custodian on the basis that it will send us other client referrals in exchange for your custodial business.

3. Directed brokerage. We don't do "directed brokerage". That means we don't recommend, request or require that you direct us to execute transactions through a specified broker/dealer. If we did it, we may be unable to achieve favorable execution of trades and it would cost you money.

B. Aggregating client accounts. We rarely have the opportunity to "aggregate" the purchase or sale of securities for you. We're an independent RIA that doesn't buy or sell securities very often (a practice which saves you money). More importantly, all our clients are different in age, size of portfolio, wants & needs and risk taking, so there is very little overlap in our client portfolios.

## **ITEM 13 REVIEW OF ACCOUNTS**

A. Frequency & nature of reviews. We review managed accounts daily. We review financial planning accounts annually. Accounts at other money managers are reviewed when we receive their statements- usually quarterly. All accounts are reviewed by O'Connor's President- John O'Connor.

B. Reviews on any other than periodic basis On occasions, such as a dramatic market move (in either direction), retirement or any catastrophe, we review client accounts to ascertain if we need to make appropriate repositioning moves for you.

C. Client Reports. We do not prepare regular client *reports*. At the end of each quarter we receive a computerized invoice from your custodian detailing you quarterly activity. We then review the invoice and check the calculations. If all is in order we hit “submit” and your fees to us are deducted. Your custodian sends you account statements, transaction confirmations, all applicable tax documents, required minimum distributions form any qualified plans, and proxy documents, including ballots and any communication from public companies. In addition, you also receive statements from any mutual funds you may own and other money managers you may utilize.

**ITEM 14**  
**CLIENT REFERRALS AND OTHER COMPENSATION**

A. Do we get economic benefits from a non-client for providing certain advice to you?

No. In addition, we do not accept sales awards or other prizes, such as trips. We pay for our own trips.

B. Do we pay for client referrals? No, we do not *pay* for client referrals. We do *get paid* for client referrals, when we recommend other money managers to you in order to increase your portfolio diversification. (Please refer to item 10-D.)

**ITEM 15**  
**CUSTODY**

O’Connor Wealth Management does not accept or maintain custody of any client accounts.

**ITEM 16**  
**INVESTMENT DISCRETION**

We manage your accounts on a non-discretionary basis. We are a firm built on *relationships* not *transactions*. We don’t trade your accounts very often, so it is not difficult to check with you before we make any buys or sells in your account.

In order for you to have an account with us, we must first have you authorize it with a Limited Power of Attorney, which your custodian provides to you. Before executing the power of attorney, the custodian insures that your signed contract with us authorizes us to have certain privileges and these are then initialed on your new account form. You authorize us to open the account, authorize us to manage your account with discretion or not, authorize us to receive duplicate confirmations & statements and authorize the custodian to deduct our fees from your account.

**ITEM 17**  
**VOTING *CLIENT* SECURITIES**

- A. Do we accept authority to vote client securities? We do not vote client securities
- B. If we do not have that authority, disclose that fact. We do not have the authority to vote client securities. You will receive your proxies or other solicitations directly from your custodian and we encourage you to discuss them with your legal representatives as we are not in a position to answer any of your questions regarding proxies.

**ITEM 18**  
**FINANCIAL INFORMATION**

- A. Do we require prepayment of fees of more than \$500/ more than 6 months in advance? No, we never charge more than \$500 more than 6 months in advance.
- B. Bankruptcy. Neither John O'Connor nor O'Connor Wealth Management has ever filed for bankruptcy.

**ITEM 19**  
**REQUIREMENTS FOR STATE REGISTERED ADVISORS**

- A. Our education & business backgrounds. The Principal Officer of O'Connor Wealth Management is John O'Connor.

John O'Connor was born in 1950. John has a BBA in business administration from Loyola Marymount University (1972) and a JD in law from Southwestern University School of Law (1976); John was licensed with independent broker-dealers from 1993 through 2009, and he was also a licensing trainer with RegEd, a continuing education and exam prep firm (2003 to 2017). John is also an independent insurance agent (2001 to present), and he has never had any legal or disciplinary events.

B. Any other business activities: John O'Connor has other business activities: John O'Connor sells insurance products for sales commissions. That profession takes up about 1% of his workweek.

C. Performance-based fees O'Connor does not charge performance-based fees.

D-1. Arbitration John O'Connor has never been involved in *arbitration* of any kind.

D-2. Civil or administrative proceedings John O'Connor has not been found liable in a *civil, self-regulatory organization, or administrative proceeding* of any kind.

E. Relationship with issuer of securities: We do not have any relationships with issuers of securities

Form ADV 2B      Brochure Supplement

This Brochure Supplement provides information about the following individuals:

John V. O'Connor  
Christopher P. de Lorimier  
Michael D. Hill  
Lawrence Bassell

Offices for these individuals are located at the Pasadena address noted below.

You should receive a copy of O'Connor's Part A Disclosure Brochure, as we include this supplement with all copies. Please contact our Chief Executive Officer, John V. O'Connor, at 626-432-5450 or [joconnor@oconnorwealthmgt.com](mailto:joconnor@oconnorwealthmgt.com) if you did not receive O'Connor's Disclosure Brochure or if you have any questions.

Additional information about these individuals is available on the SEC's website:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

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## **Education and Business Background**

**John V. O'Connor**, age 67, founded O'Connor Wealth Management in January 2010. Mr. O'Connor was previously associated with independent broker-dealers for over twenty years and has over thirty years experience in the financial services industry. He earned his BA in Business from Loyola Marymount University and obtained his J.D from Southwestern University School of Law.

**Christopher P. de Lorimier**, age 34, graduated with honors from UCLA with a degree in Psychology and earned a MBA in Financial Planning from California Lutheran University. Chris is an also an Enrolled Agent: the only professional license by the Treasury Department with unlimited rights to represent taxpayers before all divisions of the IRS.

**Lawrence Bassell**, age 59, attended Tulane University and earned a Bachelor of Arts (BA) and an MBA in Marketing from Babson College. He is also associated with Kohr Financial and Insurance Services and was previously associated with Guardian Life Insurance Company of America.

**Michael D. Hill**, age 50, attended California State University, Long Beach as a Business Finance Major and received his BS in Finance from Cal State Dominguez. He is also the President of Kohr Financial and Insurance Services, and he was also associated with Guardian Life Insurance Company of America for over 15 years.



### **Disciplinary Information**

We do have any legal, financial or other disciplinary items to report for John V. O'Connor, Christopher P. de Lorimier, Lawrence Bassell or Michael D. Hill.

### **Other Business Activities**

Christopher P. de Lorimier, EA is the owner of Crown City Tax Planning: a tax preparation, representation and consulting business.

Michael D. Hill and Lawrence Bassell are affiliated with Kohr Financial, a company which provides commercial and personal insurance products.

### **Additional Compensation**

Neither O'Connor Wealth Management nor any of its members receive additional compensation from third parties in connection with providing investment advice to clients.

### **Supervision**

John V. O'Connor has the ultimate responsibility for the supervision of firm activities as well as the investment advice offered to clients. If you would like to contact John about his supervisory role, he can be reached at 626-432-5450 or [joconnor@oconnorwealthmgt.com](mailto:joconnor@oconnorwealthmgt.com). John is also responsible for the implementation and administration of O'Connor's Compliance Program under regulatory requirements.