

## **Firm Brochure**

(Part 2A of Form ADV)

### **NEIMAN WEALTH MANAGEMENT LLC**

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This brochure provides information about the qualifications and business practices of NEIMAN WEALTH MANAGEMENT LLC. If you have any questions about the contents of this brochure, please contact us at: (800) 313-2119 or (516) 680-1653, or by Email at bob@bobneiman.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 NEIMAN WEALTH MANAGEMENT LLC is available on the SEC's Website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or its own website at [www.neimanwealthmanagement.com](http://www.neimanwealthmanagement.com) or [www.bobneiman.com](http://www.bobneiman.com)

Although the Firm may use the term "registered investment adviser" or use the term "registered" through this Form ADV Part 2A, the use of these terms is not intended to imply a certain level of skill or training.

March 15, 2012

## Material Changes

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### **Annual Update**

The Material Changes section of this brochure will be updated annually and/or when material changes occur since the previous release of the Firm Brochure. A summary of changes is necessary to inform clients of any substantive changes to the Firm's policies, practices or conflicts of interests so that they can determine whether to review the brochure in its entirety or to contact the Firm with questions about the changes.

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

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

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (800) 313-2119 or (516) 680-1653, or by email at [BOB@BOBNEIMAN.COM](mailto:BOB@BOBNEIMAN.COM).

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## Advisory Business

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### **Firm Description**

NEIMAN WEALTH MANAGEMENT LLC, (“NWM” or “The Firm”) was founded in 2003.

NWM provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

NWM is strictly a fee-only financial planning and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder’s fees are accepted.

Investment advice is an integral part of financial planning. In addition, NWM advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. NWM does not act as a custodian of client assets. The client always maintains asset control. NWM places trades for clients under a limited power of attorney.

An evaluation of each client's initial situation is provided to the client, often in the form of an extended consultation. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

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.

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### **Principal Owners**

Robert A Neiman is a 98% direct owner and member NWM. Gerilyn S. Neiman is a 2% direct owner and member of NWM.

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**Types of Advisory Services Offered**

NWM provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services, and furnishes investment advice through consultations.

On more than an occasional basis, NWM furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

NWM does not provide any timing services.

As of DECEMBER 31, 2011, NWM manages approximately \$19,600,000 in assets for approximately 39 clients. Approximately \$19,600,000 is managed on a discretionary basis, and none is managed on a non-discretionary basis.

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**Tailored Relationships**

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

Agreements may not be assigned without prior written and signed client consent.

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**Types of Agreements**

The following agreements define the typical client advisory relationships:

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**Financial Planning Agreement**

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

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 asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

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.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. An initial estimate of the financial planning fee is provided to the client. The hourly rate for financial planning services is \$215.00 per

hour with a minimum fee of \$5,000. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

A completed financial plan will be delivered upon review of income, expenses taxes, insurance coverage, retirement plans, wills, trusts, investments and/or other relevant information pertaining to a Client's overall financial situation in addition to a careful analysis of the Client's goals and stated objectives. The general time frame from delivering a completed financial plan is within ninety days from signing a financial planning agreement.

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

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$215.00 per hour.

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### **Investment Management Agreement**

Most clients choose to have NWM manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The fee for an Investment Management Agreement is provided to the client in writing prior to the start of the relationship. An Investment Management Agreement includes: investment management (including performance reporting), and may include cash flow management; insurance review; education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

The annual Investment Management Agreement fee is based on a percentage of the investable assets according to the following schedule:

1.00% on the first \$1,000,000;

0.75% on the assets above \$1,000,000.

The minimum annual fee is \$2,500.00 and is negotiable. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

The minimum annual fee of \$2,500 is charged in advance on a quarterly basis equal to \$625 per quarter. NWM will provide advisory services equal to or more than the minimum quarterly fee of \$625 by the end of each quarter.

Therefore, NWM does not collect \$500 per client six or more months in advance.

Although the Investment Management Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be refunded on a pro rata basis for the portion of the quarter after termination. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Tax preparation may be performed as an integral part of the Investment Management Agreement. Eligible federal and applicable state returns are filed electronically without an additional fee.

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### **Tax Preparation Agreement**

Tax preparation work may be included in the *Advisory Service Agreement* or *Retainer Agreement* scope of work.

Tax preparation work performed separately from an *Advisory Service Agreement* or a *Retainer Agreement* is billed at a rate of \$215.00 per hour. Minimum fee for tax preparation is \$430.00. Eligible federal and applicable state returns are filed electronically without an additional fee.

Tax preparation work is performed by Robert A Neiman, CPA, a firm wholly owned by Robert A Neiman.

As such, Mr. Neiman may recommend tax services to its Clients for a fee. This could present a potential conflict of interest as Mr. Neiman could receive certain fees if the client chooses recommendations made by Mr. Neiman in his capacity as a tax advisor. However, clients are under no obligation to purchase products and/or services that Neiman may recommend, or to purchase products through Neiman.

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### **Hourly Planning Engagements**

NWM provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$215.00.

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### **Asset Management**

Assets are invested primarily in no-load mutual funds and exchange-traded funds, usually through Fidelity Investments. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Fidelity Investments charges separate transaction fees for mutual funds and exchange traded funds.

Stocks and bonds may be purchased or sold through a brokerage account at Fidelity Investments, when appropriate. Fidelity Investments charges a fee for stock and bond trades. NWM does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, and mutual funds shares), U. S. government securities, and interests in publicly traded partnerships.

Initial public offerings (IPOs) are not available through NWM.

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### **Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying NWM in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, NWM will refund any unearned portion of the advance payment.

NWM may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, NWM will refund any unearned portion of the advance payment.

## **Fees and Compensation**

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### **Description**

NWM bases its fees on a percentage of assets under management, hourly charges, and fixed fees.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are negotiable.

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### **Fee Billing**

Investment management fees are billed quarterly, in advance, meaning that we invoice you before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account by the custodian broker to facilitate billing. The client must consent in advance to direct debiting of their investment account. See the Brokerage Practices section of this document for additional information on brokerage practices.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

A completed financial plan will be delivered upon review of income, expenses taxes, insurance coverage, retirement plans, wills, trusts, investments and/or other relevant information pertaining to a Client's overall financial situation in addition to a careful analysis of the Client's goals and stated objectives. The general time frame from delivering a completed financial plan is within ninety days from signing a financial planning agreement.

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### **Other Fees**

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Clients pay other types of fees or expenses in connection with advisory services. These may include custodian fees and/or mutual fund expenses. Clients who incur brokerage and/or other transaction costs will be charged those fees from the custodian. Please see Brokerage Practices section below for further details.

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

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. *The formula is based on gross income, gross assets and other financial considerations.*

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### **Expense Ratios**

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to NWM.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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### **Past Due Accounts and Termination of Agreement**

NWM reserves the right to stop work on any account that is more than 60 days overdue. In addition, NWM reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to

provide pertinent information about financial situations when necessary and appropriate, in NWM's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

## Performance-Based Fees

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### Sharing of Capital Gains

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

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

## Types of Clients

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### Description

NWM generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations, partnerships, and limited liability companies.

Client relationships vary in scope and length of service.

### Account Minimums

The minimum account size is \$250,000 of assets under management, which equates to an annual fee of \$2,500.00.

When an account falls below \$250,000 in value, the minimum annual fee of \$2,500.00 is charged. Depending upon circumstances, NWM will sign an *Hourly Agreement* with the client if assets have diminished significantly below \$100,000.

NWM has the discretion to waive the account minimum and minimum annual fee. Accounts of less than \$250,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$250,000 within a reasonable time. Other exceptions will apply to employees of NWM and their relatives, or relatives of existing clients.

Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

The minimum annual fee of \$2,500 is charged in advance on a quarterly basis equal to \$625 per quarter. NWM will provide advisory services equal to or more than the minimum quarterly fee of \$625 by the end of each quarter.

Therefore, NWM does not collect \$500 per client six or more months in advance.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Methods of Analysis**

Security analysis methods may include charting including plotting historical security prices per share, fundamental analysis which includes the analysis of company financials and financial position, and technical analysis and cyclical analysis which includes the use and monitoring of investment cycles and trends.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC, and company press releases.

Other sources of information that NWM may use include Dimensional Fund Advisors mutual fund information, Morningstar Principia mutual fund information, Morningstar Principia stock information, Advisor Intelligence, and the World Wide Web.

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### **Investment Strategies**

The primary investment strategy used on client accounts is passive asset class investing and passive investing. We use Dimensional Fund Advisors for passive asset class investments. For passive indexing, we use Vanguard Investments and exchange-traded funds.

Portfolios are globally diversified 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.

Based on a client's goals and objectives, we work with each client to develop asset allocation targets for major asset classes, and sub-asset classes. Examples of major asset classes include equities, real estate (REITS), and fixed income. Examples of sub asset classes in equities include U.S. vs. International, Developed Markets vs. Emerging Markets, Large Cap vs. Small Cap, and Growth vs. Value. Examples of sub asset classes in real estate include U.S. vs. International. Examples of sub asset classes in fixed income include inflation indexed bonds vs. traditional bonds, cash, short vs. intermediate term, and U.S. vs. International.

All of a client's accounts including their taxable, IRA, Roth, SEP, Simple accounts are managed as a group. This is done because some sub-asset class are more tax efficient than others.

Client accounts are reviewed on a quarterly basis. The actual asset allocation is compared to the targeted asset allocation. Portfolios are rebalanced back to the asset allocation targets every nine to twelve months. The transaction fees and tax costs of rebalancing back to the client's asset allocation targets are taken into account in determining the timing and frequency of rebalancing. Also, rebalancing may be done when clients put new money into their accounts or take out money from their accounts.

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## **Risk of Loss**

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

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

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Disciplinary Information

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### Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## Other Financial Industry Activities and Affiliations

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### Financial Industry Activities

NWM is registered as a registered investment advisor.

Neither NWM nor any of its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

Neither NWM nor any of its *management persons* are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

On occasion, NWM and its *management persons* may own securities products that he also recommends to clients which may present a potential conflict of interest. However, as a preventative measure, all client transactions will be conducted and implemented before any such transaction relating to any personal accounts of any affiliated persons of NWM. In addition to this measure, all of the aforementioned *management persons* of NWM will act in accordance will applicable securities laws and conduct their business to ensure overall compliance with Insider Trading rules and the Securities Fraud Enforcement Act of 1988.

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### Affiliations

NWM has arrangements that are material to its advisory or its clients with Robert A Neiman, CPA, a related person who is an accounting firm. Robert A Neiman, CPA provides tax preparation, compilation financial statements, and other accounting services for its accounting clients.

Mr. Neiman may recommend tax services to its Clients for a fee. This could present a potential conflict of interest as Mr. Neiman could receive certain fees if the client uses the services of Mr. Neiman in his capacity as a tax

advisor. However, clients are under no obligation to purchase services that Neiman may recommend.

Robert A. Neiman spends approximately 50% of his time on his accounting practice.

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

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### **Code of Ethics**

The employees of NWM have committed to a Code of Ethics that is available for review by clients and prospective clients upon request.

NWM has adopted the following Code of Ethics:

- **Fiduciary Responsibility-** NWM and its staff shall exercise the highest standard of care in protecting and promoting the interests of its clients, and will provide a written disclosure containing any conflicts of interest that may compromise their impartiality or independence. As fiduciary, the NWM shall not accept any referral fees or compensation that is contingent upon the purchase or sale of any financial product.
- **Integrity-** All professional services shall be rendered with the highest level of integrity.
- **Objectivity-** NWM and its staff shall provide advice that is objective and in the best interest of the client and without conflicts of interest.
- **Competence-** NWM and its staff shall maintain the necessary knowledge and skills to provide our clients with competent advice and services.
- **Fairness-** All professional services shall be performed by NWM and its staff in a manner that is fair and reasonable to its clients.
- **Confidentiality-** NWM and its staff shall maintain and safeguard all confidential client information in accordance with applicable laws.
- **Diligence-** NWM and its staff shall ensure the accuracy and completeness of records, information, and data collected, used and managed, and will take necessary steps to correct any discrepancies.
- **Regulatory Compliance-** NWM and its staff shall comply fully with appropriate laws and internal regulations.

NWM will provide a complete copy of its Code of Ethics to any client or prospective client upon request.

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**Participation or Interest in Client Transactions**

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

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**Personal Trading**

The Chief Compliance Officer of NWM is Robert A Neiman. He/she reviews all trades on an ongoing basis. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## Brokerage Practices

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**Selecting Brokerage Firms**

NWM does not have any affiliation with product sales firms. NWM uses Fidelity Investments as a custodian based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

NWM does not receive fees or commissions from any of these arrangements.

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**Research and Other Soft Dollar Benefits**

Regarding research and other soft dollar benefits, NWM does not receive research (both proprietary or non-proprietary) or other products or services other than execution services from a broker/dealer or a third party in connection with *client* securities transactions, including but not limited to (otherwise known as “soft dollar benefits”).

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**Brokerage for Client Referrals**

NWM does not have discretion over the type and amount of securities, the selection of brokers to be used or the commission rates to be paid.

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**Directed Brokerage**

Regarding directed brokerage arrangements, NWM does not recommend, request or require that *clients* direct NWM to execute transactions through a specified broker-dealer.

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**Best Execution**

NWM reviews the execution of trades at Fidelity Investments each quarter. The review is documented in the NWM *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. NWM does not receive any portion of the trading fees.

In reviewing the execution quality of its designated brokerage trades, NWM may direct trades to brokers that charge commissions higher than those obtainable from other brokers. In selecting a broker for any transaction or series of transactions, Adviser may consider a number of factors in addition to commission rates, including, for example net price, reputation, financial strength and stability, efficiency of execution and error resolution, block trading and block position capabilities, willing to execute related or unrelated difficult transactions in the future, order of call, on-line access to computerized data regarding client accounts, the availability of stocks to borrow for short trades, custody, record keeping or other similar services, as well as other matters involved in the receipt of general brokerage services.

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### **Soft Dollars**

NWM does not receive any soft dollar fees. However, NWM receives back office trading software and support from Fidelity Investments via their trading software. This software is provided without charge to NWM. All clients benefit from this software as it reduces the firm's overall expenses.

The selection of Fidelity Investments as a custodian for clients is not affected by this trading software and support.

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### **Order Aggregation**

NWM does not aggregate the purchase or sale of securities for various client accounts. Because NWM does not aggregate the purchase or sale of securities for client accounts, fees may be higher than similar elsewhere.

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

## **Review of Accounts**

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### **Periodic Reviews**

Account reviews are performed quarterly by Robert A Neiman, CPA, PFS. Account reviews are performed more frequently when market conditions dictate.

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### **Review Triggers**

Triggering factors that may affect an account review could be any material change in a client's account such as a change in company earnings, industry and/or company outlook as well as general economic factors or other relevant situations that may alter a client's account. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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## Regular Reports

Reports are individualized, thereby, the nature and frequency are determined by client need and the services offered. *Advisory Service Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive periodic written reports on at least a quarterly basis. The reports may include a portfolio appraisal report on a separate account and consolidated basis, a performance report, an asset allocation target statement, and an asset allocation rebalancing report. Additional information may include summarizing the investment performance of their account(s), in addition to annual reports showing each client's investment performance and outlook at the end of each fiscal year. Clients retaining financial planning services would not receive any scheduled reviews or on-going reports, unless specifically requested and retained to provide such services by the client. Clients retaining financial planning services would not receive any scheduled reviews or on-going reports, unless specifically requested and retained to provide such services by the client.

The Firm provides reasonable assurances that its performance advertising will comply with Securities Act Interpretative Statement- 21 in that facts and circumstances surrounding the use of performance results must be reviewed as to the form and content, implications or inferences arising from the advertisement and the sophistication of the present or prospective client. The same considerations that apply to determining whether information relating to performance results in advertising constitute fraud under RCW 21.10.020 also apply to information relating to performance results contained in investment adviser correspondence with clients and in client account statements.

When using performance data in advertisements or communications with clients all material facts necessary to avoid any unwarranted inference will be disclosed. In order to avoid misleading inferences the following standards will be adhered to:

- The effect of material market or economic conditions on portrayed results must be stated;
- The effect of fees, commissions or other client paid expenses (with the exception of custodial fees) on performance must be stated;
- The effect of dividends and earnings on the results portrayed must be stated;
- Disclosure of the potential for both profit and loss must be made;
- Comparison of results to an index or other portfolio must disclose facts relevant to the comparison which include disclosure of the following: (i) Capital gains and losses, both realized and unrealized; (ii) Type of security; (iii) Objective; (iv) Volatility or stability; (v) Diversification; (vi) Cash infusions/new money; (vii) Reinvestment of dividends; and
- Appropriate time frames to compute results must be used;
- Disclosure of any material conditions, objectives, or investment strategies used to obtain the performance result must be made;

- Where the performance results are only for a selected group of clients, the basis on which the selection was made must be disclosed.

Use of Model Portfolios- In order to be presented in a manner that is not misleading to the investing public, model results must be authenticated and may not employ the use of "backtested" figures. Backtesting involves developing a strategy based upon historical performance and then applying the strategy to those past figures. Such backtested performance results often create misleading inferences. Therefore, to eliminate any confusion, backtested performance results may not generally be used in investment adviser advertising unless accompanied by prominent disclosure regarding the origin of the figures.

Authenticated model performance results may be used in advertising when the following disclosures appear: (i) prominent disclosure of the limitations inherent in the model results; (ii) material changes in the conditions, objectives, or investment strategies of the model portfolio; (iii) if applicable, that some of the securities or strategies reflected in the model portfolio do not relate, or relate only partially, to the services currently offered by the adviser; (iv) if applicable, that the advisers clients actually had investment results that were materially different from those portrayed in the market; and (v) a statement advising the reader that the results do not represent actual trading.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

NWM has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

### **Referrals Out**

NWM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody**

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### **Account Statements**

All assets are held at Fidelity Investments, a qualified custodian, which means Fidelity Investments provides account statements directly to clients at their address of record on a monthly basis. These account statements may be delivered electronically by Fidelity Investments.

NWM does not maintain custody of client funds and/or securities. Therefore, clients will receive their monthly and/or quarterly account statements directly

from the designated broker/dealer, bank or other qualified custodian of record. Clients should carefully review those statements for accuracy. In the event that clients also receive account statements from NWM, it strongly encourages each client to compare the account statements they receive from the qualified custodian with those received NWM.

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### **Performance Reports**

Clients are urged to compare the account statements received directly from Fidelity Investments to the performance report statements provided by NWM.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

NWM accepts discretionary authority to manage securities accounts on behalf of clients. NWM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, NWM consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

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

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

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### **Limited Power of Attorney**

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades on your behalf where you have given us prior authorization to do so.

## **Voting Client Securities**

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### **Proxy Votes**

NWM does not have the authority to vote client proxies and therefore is not required to take action or render advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which assets of the clients account(s) may be invested from time to time. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients may contact NWM directly at (800) 313-2119, is they have any questions regarding a particular solicitation.

## Financial Information

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### Financial Condition

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

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

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### Custody Disclosure

NWM does not have custody of client funds or securities. Please see the Custody section above for further details.

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### Bankruptcy Disclosure

NWM has not been the subject of a bankruptcy petition at any time during the past ten years.

## Requirement for State Registered Advisers

All advisory fees and how these fees will be calculated are previously disclosed above. NWM does not charge *performance-based fees*

All material facts involving disclosure events for management persons are previously disclosed above.

All relationships or arrangements involving *management persons* are previously disclosed above.

## Information Security Program

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### Information Security

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

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### Privacy Notice

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

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer

reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone at (800) 313-2119 or (516) 680-1653, by mail, by fax (866) 823-1800, or by email at bob@bobneiman.com, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

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

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

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

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

# Form ADV Part 2B: Brochure Supplement

Last Updated: March 15, 2012

Supervised Persons:

**Robert A. Neiman**

**NEIMAN WEALTH MANAGEMENT LLC**

**CRD #128662**

**1606 JAMES STREET**

**MERRICK, NY 11566**

**PHONE: (800) 313-2119 OR (516) 680-1653**

**FAX: (866) 823-1800**

**WEBSITE: WWW.NEIMANWEALTHMANAGEMENT.COM**

*This brochure supplement provides information about the Supervised Persons listed above that supplement NWM's brochure. You should have received a copy of that brochure. Please contact Robert A. Neiman at (800) 313-2119 and/or via email at [bob@bobneiman.com](mailto:bob@bobneiman.com) if you did not receive NWM's brochure or if you have any questions about the contents of this supplement.*

*Additional information about NWM is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or its own website at [www.bobneiman.com](http://www.bobneiman.com).*

## Form ADV Part 2B: Brochure Supplement

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### Education and Business Standards

NWM requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: CPA, PFS, MBA, a CFP®, a CFA, a ChFC, JD, CTFA, or EA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

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### Robert A Neiman, CPA, PFS

Date of Birth: November 4, 1951

Educational Background:

- Clark University B.A. 1973
- Post-graduate coursework (no advanced degree)
  - University of Southern California 1973
  - Oregon State University 1974-77
  - Portland State University 1977

Business Experience:

- Neiman Wealth Management 2003 to Present
- Robert A Neiman, CPA 1982 to Present
- Raymond James Financial Services (Registered Rep) 2000 to 2003
- H. D. Vest Investment Securities Inc. (Registered Rep) 2000

Certifications:

- Certified Public Accountant (CPA) 1978
- Personal Financial Specialist (PFS) 2010

Disciplinary Information: None

Other Business Activities:

- Robert A Neiman CPA works with small businesses and high income individuals providing business, tax, and accounting services.

Additional Compensation: None

Supervision:

Robert A Neiman is the sole employee of NWM. Consequently, he does not have any supervisors and does not supervise any employees.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

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## Use of Professional Designations

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

**Personal Financial Specialist (PFS)** The PFS credential demonstrates that an individual has met the minimum education, experience and testing required of a CPA in addition to a minimum level of expertise in personal financial planning. To attain the PFS credential, a candidate must hold an unrevoked CPA license, fulfill 3,000 hours of personal financial planning business experience, complete 80 hours of personal financial planning CPE credits, pass a comprehensive financial planning exam and be an active member of the AICPA. A PFS credential holder is required to adhere to AICPA's *Code of Professional Conduct*, and is encouraged to follow AICPA's *Statement on Responsibilities in Financial Planning Practice*. To maintain their PFS credential, the recipient must complete 60 hours of financial planning CPE credits every three years. The PFS credential is administered through the AICPA