

# FORM ADV PART 2A DISCLOSURE BROCHURE



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This brochure provides information about the qualifications and business practices of Mariaca Wealth Management, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 561-650-8061. 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 Mariaca Wealth Management, LLC. (CRD #164001) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**MARCH 13<sup>TH</sup>,  
2018**

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

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

This filing is in accordance with the required annual filing for Registered Investment Advisors. Since the last filing on December 19<sup>th</sup>, 2017 the following changes have been made:

- Generally formatting
  - Item 4 – Assets under Management
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### **Full Brochure Available**

This Firm Brochure being delivered is the complete brochure for the Firm.

## Item 3: Table of Contents

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## **Item 4: Advisory Business**

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### **Firm Description**

Mariaca Wealth Management, LLC. ("MWM") was founded in 2010.

MWM is a fee-based investment management firm. MWM does not sell insurance products, but the Managing Member does offers insurance as an independent agent. MWM does not act as a custodian of Client assets.

An evaluation of each Client's initial situation is provided to the Client, often in the form of a net worth statement, risk analysis or similar document. 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, tax preparers, insurance agents, etc.) are engaged directly by the Client on an as-needed basis and may charge fees of their own. Conflicts of interest will be disclosed to the Client in the event they should occur.

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### **Types of Advisory Services**

#### ASSET MANAGEMENT

MWM is in the business of managing investment portfolios for our Clients. MWM provides investment management services to Clients using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment goal. After reviewing a Client's financial situation and investment goals, we identify one of several proprietary model portfolios appropriate for the Client. We then modify this model portfolio, as needed, to address specific needs or restrictions of the Client.

In this regard, we seek to build well-balanced and globally diversified portfolios based on academic research with the goal of providing Clients with excellent risk-adjusted returns. During our data-gathering process, we determine the Client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a Client's prior investment history, as well as family composition and background. Through these personal discussions in which goals and objectives based on a Client's particular circumstances are established, we develop a Client's personal investment policy or investment plan and create and manage a portfolio based on that policy or plan. MWM provides continuous advice to a Client regarding the investment of Client funds, holdings and the overall allocation strategy based on the individual needs of the Client. Please see Item 8 for complete descriptions of our model portfolios.

We manage Client investments on a discretionary basis only. For these accounts, we will implement transactions without seeking prior Client consent. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and Client portfolios will generally include "no-load" or "load-waived" mutual funds and exchange traded funds (ETFs). We frequently invest Clients in mutual funds offered by Dimensional Fund Advisors (DFA). DFA-

sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Consequently, the DFA fund fees are generally lower than fees and expenses charged by other types of funds. Although not part of our overall investment strategy, Client portfolios may also include some individual equity and fixed income securities.

In addition to managing your assets, we may also provide specific financial consulting advice to Clients, at no additional charge, in the following areas:

- **Retirement and income planning:** We analyze current strategies and investment plans to help the Client achieve his or her retirement goals. We analyze the Client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the Client's current income tax and future tax liability.
- **Education funding for children and grandchildren:** We analyze the Client's income and develop a strategy of saving and investing to plan for college expenses and loan repayments.
- **Current investment review and analysis:** We analyze investment alternatives and their effect on the Client's portfolio.
- **Insurance coverage review and needs analysis:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, umbrella, home and automobile.
- **Charitable gift planning:** We will discuss with the Client their charitable needs and wishes to determine which organizations and causes matter to the Client while analyzing income streams and valuable tax benefits. We will work collaboratively with the Client's legal and tax professionals to implement the Client's charitable gift plan.
- **Legacy planning review and development:** We assist the Client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, and asset protection plans.

#### RETIREMENT PLAN SERVICES

MWM provides service to qualified retirement plans including 401(k) plans, 403(b) plans, pension and profit sharing plans, cash balance plans, and deferred compensation plans. MWM may act as a 3(21) advisor:

**Limited Scope ERISA 3(21) Fiduciary.** MWM may serve as a limited scope ERISA 3(21) fiduciary that can advise, help and assist plan sponsors with their investment decisions on a non-discretionary basis. As an investment advisor MWM has a fiduciary duty to act in the best interest of the Client. The plan sponsor is still ultimately responsible for the decisions made in their plan, though using MWM can help the plan sponsor delegate liability by following a diligent process.

1. Fiduciary Services are:

- Provide non-discretionary investment advice to the Client about asset classes and investment alternatives available for the Plan in accordance with the Plan's investment policies and objectives. Client will make the final decision regarding the initial selection,

retention, removal and addition of investment options. MWM acknowledges that it is a fiduciary as defined in ERISA section 3 (21) (A) (ii).

- Assist the Client in the development of an investment policy statement (“IPS”). The IPS establishes the investment policies and objectives for the Plan. Client shall have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the IPS.
- Provide non-discretionary investment advice to the Plan Sponsor with respect to the selection of a qualified default investment alternative for participants who are automatically enrolled in the Plan or who have otherwise failed to make investment elections. The Client retains the sole responsibility to provide all notices to the Plan participants required under ERISA Section 404(c) (5) and 404(a)-5.
- Assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformance to the guidelines set forth in the IPS and make recommendations to maintain, remove or replace investment options.
- Meet with Client on a periodic basis to discuss the reports and the investment recommendations.

2. Non-fiduciary Services are:

- Assist in the education of Plan participants about general investment information and the investment alternatives available to them under the Plan. Client understands MWM’s assistance in education of the Plan participants shall be consistent with and within the scope of the Department of Labor’s definition of investment education (Department of Labor Interpretive Bulletin 96-1). As such, MWM is not providing fiduciary advice as defined by ERISA 3(21)(A)(ii) to the Plan participants. Advisor will not provide investment advice concerning the prudence of any investment option or combination of investment options for a particular participant or beneficiary under the Plan.
- Assist in the group enrollment meetings designed to increase retirement plan participation among the employees and investment and financial understanding by the employees.

MWM may provide these services or, alternatively, may arrange for the Plan’s other providers to offer these services, as agreed upon between Advisor and Client.

3. MWM has no responsibility to provide services related to the following types of assets (“Excluded Assets”):

- Employer securities;
- Real estate (except for real estate funds or publicly traded REITs);
- Stock brokerage accounts or mutual fund windows;
- Participant loans;
- Non-publicly traded partnership interests;
- Other non-publicly traded securities or property (other than collective trusts and similar vehicles); or

- Other hard-to-value or illiquid securities or property.

Excluded Assets will **not** be included in calculation of Fees paid to MWM on the Retirement Plan Agreement.

Specific services will be outlined in detail to each plan in the 408(b)2 disclosure.

SEMINARS AND WORKSHOPS

MWM holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given.

**Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each Client are documented in our Client files. Investment strategies 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 written Client consent.

**Wrap Fee Programs**

MWM does not sponsor any wrap fee programs.

**Client Assets under Management**

As of December 31<sup>st</sup>, 2017, we provide continuous management services for \$101,135,784 in Client assets on a discretionary basis, and \$30,338,893 on a non-discretionary basis.

**Item 5: Fees and Compensation**

**Method of Compensation and Fee Schedule**

ASSET MANAGEMENT

MWM offers discretionary direct asset management services to advisory Clients. MWM charges an annual investment advisory fee based on the total assets under management as follows:

Assets Under Management	Annual Fee
First \$1,000,000	1.25%
Next \$1,000,000 to \$2,500,000	1.00%
Next \$2,500,000 to \$5,000,000	0.80%
Next 5,000,000 to \$10,000,000	0.70%
\$10,000,000 to \$25,000,000	0.60%
Over \$25,000,000	0.50%

This is a blended fee schedule, meaning the asset management fee is calculated by applying different rates to different portions of the portfolio as stated above. MWM may group certain related Client accounts for the purposes of achieving the minimum account size and determining the annualized fee. However, once the account reaches \$10,000,000 in value, the entire portfolio will be charged the same fee.

The annual fee may be negotiable 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.). Fees are billed quarterly in advance based on the amount of assets managed as of the close of business on the last business day of the previous quarter. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement with no obligation and without penalty. Clients may terminate advisory services with thirty (30) days written notice. For accounts opened or closed mid-billing period, unearned fees will be refunded to the Client. Client shall be given thirty (30) days prior written notice of any increase in fees. Any increase in fees will be acknowledged in writing by both parties before any increase in said fees occurs.

For fees that are directly deducted from the account by the custodian:

- MWM will provide the Client with an invoice concurrent to instructing the custodian to deduct the fee stating the amount of the fee, the formula used to calculate the fee, the amount of assets under management the fee is based on and the time period covered by the fee;
- MWM will obtain written authorization signed by the Client allowing the fees to be deducted; and
- The Client will receive quarterly statements directly from the custodian which disclose the fees deducted.

**RETIREMENT PLAN SERVICES**

The annual fees are based on the market value of the Included Assets and will be as follows:

Assets Under Management	Annual Fee
\$5,000,000 to \$7,500,000	0.50%
\$7,500,000 to \$10,000,000	0.40%
\$10,000,000 to \$15,000,000	0.30%
\$15,000,000 to \$20,000,000	0.25%
\$20,000,000 to \$25,000,000	0.20%
Over \$25,000,000	0.15%

The annual fee is negotiable and may be charged as a percentage of the Included Assets. Fees may be charged monthly in advance based on the assets as calculated by the custodian or record keeper of the Included Assets (without adjustments for anticipated withdrawals by Plan participants or other anticipated or scheduled transfers or distribution of assets) on the last business day of the previous quarter or month. If the services to be provided start any time other than the first day of a quarter or month, the fee will be prorated based on the number of days remaining in the quarter or month. If this Agreement is terminated prior to the end of the fee period, Client will be due a prorated refund of fees for days services were not provided in the billing cycle.

The fee schedule, which includes compensation of MWM for the services is described in detail in Schedule A of the Retirement Plan Agreement. The Plan is obligated to pay the fees, however the Plan Sponsor may elect to pay the fees. Client may elect to be billed directly or have fees deducted from Plan Assets. MWM does not reasonably expect to receive any additional compensation, directly or indirectly, for its services under this Agreement. If additional compensation is received, MWM will disclose this compensation,

the services rendered, and the payer of compensation. MWM will offset the compensation against the fees agreed upon under this Agreement.

#### SEMINARS AND WORKSHOPS

MWM holds seminars and workshops to educate the public on different types of investments and the different services they offer. The seminars are educational in nature and no specific investment or tax advice is given. MWM offers these seminars for a fee plus the cost of books and materials presented.

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#### **Client Payment of Fees**

Investment management fees are billed quarterly in advance, meaning that we invoice you before the billing period. Fees are usually deducted from a designated Client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account.

MWM, 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.).

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#### **Additional Client Fees Charged**

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include mutual fund transaction fees, postage and handling and miscellaneous fees. For more details on the brokerage practices, see Item 12 of this brochure.

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#### **Prepayment of Client Fees**

MWM does not require any prepayment of fees of more than \$1,200 per Client and six months or more in advance.

Investment management fees are billed quarterly in advance. Fees for ERISA 3(21) services are billed in advance. If the Client cancels after five (5) business days, any unearned fees will be refunded to the Client.

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#### **External Compensation for the Sale of Securities to Clients**

MWM does not receive any external compensation for the sale of securities to Clients, nor do any of the investment advisor representatives of MWM.

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

#### **Sharing of Capital Gains**

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

MWM does not use a performance-based fee structure or side-by-side management because of the conflict of interest. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance based

compensation may create an incentive for MWM to recommend an investment that may carry a higher degree of risk to the Client.

## **Item 7: Types of Clients**

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### **Description**

MWM generally provides investment advice to individuals, high net worth individuals, trusts, estates, or charitable organizations, corporations or business entities. Client relationships vary in scope and length of service.

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### **Account Minimums**

MWM requires a minimum of \$1,000,000 to open an account. In certain instances, the minimum account size may be lowered or waived.

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

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### **Methods of Analysis**

Security analysis methods may include fundamental analysis and technical analysis. Investing in securities involves risk of loss that Clients should be prepared to bear. Past performance is not a guarantee of future returns.

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

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

The main sources of information include financial newspapers and magazines, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

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### **Investment Strategy**

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 by providing written notice to MWM. Each Client executes a Client profile form or similar form that documents their objectives and their desired investment strategy.

After reviewing a Client's financial situation and investment goals, we identify one of several proprietary model portfolios appropriate for the Client. We then modify this model portfolio, as needed, to address specific needs or restrictions of the Client. The model portfolios are:

**Fixed:** This portfolio is designed to seek income and protection of principal by investing in governmental and corporate fixed income securities. The asset allocation target and security selection for this model will depend on market conditions. Fixed income holdings will generally be between 95-100% of the portfolio. This portfolio is geared toward an

individual that is unwilling or unable to accept risk/volatility and is more concerned about current income than outpacing inflation. It is also appropriate for an individual that has five or fewer years before the money from investments is needed.

**Fixed Plus:** This portfolio is designed to seek income and protection of principal by investing in governmental and corporate fixed income securities, but also focuses a small portion of the overall portfolio on equity holdings. The asset allocation target and security selection for this model will depend on market conditions. Fixed income holdings will generally be between 85-95% (with a target allocation of approximately 90%). Equity holdings including US, international and emerging markets will have a target allocation of approximately 10% of the portfolio. This portfolio is geared toward an individual that is unwilling or unable to accept risk/volatility and is more concerned about current income than outpacing inflation. It is also appropriate for an individual that has five or fewer years before the money from investments is needed.

**Conservative:** This portfolio is designed to seek income and protection of principal by investing in governmental and corporate fixed income securities, but also focuses a portion of the overall portfolio on equity holdings. The asset allocation target and security selection for this model will depend on market conditions. Fixed income holdings will generally be between 75-85% (with a target allocation of approximately 80%). Equity holdings including US, international and emerging markets will have a target allocation of approximately 20% of the portfolio. This portfolio is geared toward a cautious investor that is willing and able to accept a conservative level of risk/volatility, but is still concerned about current income and intermediate term capital preservation.

**Conservative Plus:** This portfolio is designed to seek income and protection of principal by investing in governmental and corporate fixed income securities, but also focuses a portion of the overall portfolio to equity holdings. The asset allocation target and security selection for this model will depend on market conditions. Fixed income holdings will generally be between 65-75% (with a target allocation of approximately 70%). Equity holdings including US, international and emerging markets will have a target allocation of approximately 30% of the portfolio. This portfolio is geared toward a cautious investor that is willing and able to accept a conservative to moderate level of risk/volatility in order to have a potential hedge against inflation, but is still concerned about current income and intermediate term capital preservation.

**Moderate:** This portfolio is designed to seek income and protection of principal by investing in governmental and corporate fixed income securities, but also focuses a portion of the overall portfolio to equity holdings. The asset allocation target and security selection for this model will depend on market conditions. Fixed income holdings will generally be between 55-65% (with a target allocation of approximately 60%). Equity holdings including US, international and emerging markets will have a target allocation of approximately 40% of the portfolio. This portfolio is geared toward an investor that is willing and able to accept a moderate level of risk/volatility and is concerned about keeping up with inflation.

**Moderate Plus:** This portfolio is designed to seek total return consisting of capital appreciation and current income. The asset allocation target and security selection for this

model will depend on market conditions. Fixed income holdings will generally be between 45-55% (with a target allocation of approximately 50%). Equity holdings including US, international and emerging markets will have a target allocation of approximately 50% of the portfolio. This portfolio is geared toward an investor that is willing and able to accept a moderate level of risk/volatility and is concerned about keeping up with inflation.

**Normal:** This portfolio is designed to seek total return consisting of capital appreciation and current income. The asset allocation target and security selection for this model will depend on market conditions. Fixed income holdings will generally be between 35-45% (with a target allocation of approximately 40%). Equity holdings including US, international and emerging markets will have a target allocation of approximately 60% of the portfolio. This portfolio is geared toward an investor that is willing and able to accept a standard level of risk/volatility and is concerned about keeping up with inflation.

**Normal Plus:** This portfolio is designed to seek capital appreciation by investing in equity holdings while also offering a portion of income-oriented investments. The asset allocation target and security selection for this model will depend on market conditions. Fixed income holdings will generally be between 25-35% (with a target allocation of approximately 30%). Equity holdings including US, international and emerging markets will have a target allocation of approximately 70% of the portfolio. This portfolio is geared toward an investor that is willing and able to accept a higher level of risk/volatility and is concerned about keeping up with inflation. It is also appropriate for an individual that anticipates ten years or more before the money from investments is needed.

**Aggressive:** This portfolio is designed to seek capital appreciation by investing in equity holdings while also offering a small portion of income-oriented investments. The asset allocation target and security selection for this model will depend on market conditions. Fixed income holdings will generally be between 15-25% (with a target allocation of approximately 20%). Equity holdings including US, international and emerging markets will have a target allocation of approximately 80% of the portfolio. This portfolio is geared toward an experienced equity investor that is willing and able to accept a high level of risk/volatility in order to potentially achieve a high level of return. It is also appropriate for an individual that anticipates ten years or more before the money from investments is needed.

**Aggressive Plus:** This portfolio is designed to seek high returns and capital appreciation by investing in equity holdings while also offering a small portion of income-oriented investments. The asset allocation target and security selection for this model will depend on market conditions. Fixed income holdings will generally be between 5-15% (with a target allocation of approximately 10%). Equity holdings including US, international and emerging markets will have a target allocation of approximately 90% of the portfolio. This portfolio is geared toward an experienced equity investor that is willing and able to accept a high level of risk/volatility in order to potentially achieve a high level of return. It is also appropriate for an individual that anticipates ten years or more before the money from investments is needed.

**Equity:** This portfolio is designed to seek high returns and capital appreciation by investing in all equity holdings. The asset allocation target and security selection for this model will

depend on market conditions. Equity holdings including US, international and emerging markets will have a target allocation of approximately 95-100% of the portfolio. This portfolio is geared toward an experienced equity investor that is willing and able to accept a high level of risk/volatility in order to potentially achieve a high level of return.

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### **Security Specific Material Risks**

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 and should discuss these risks with MWM:

- *Market Risk:* The prices of securities held by mutual funds in which Clients invest may decline in response to certain events taking place around the world, including those directly involving the companies whose securities are owned by a fund; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency, interest rate and commodity price fluctuations. Investors should have a long-term perspective and be able to tolerate potentially sharp declines in market value.
- *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.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than 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.
- *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.
- *Management Risk:* The advisor's investment approach may fail to produce the intended results. If the advisor's assumptions regarding the performance of a specific asset class or fund are not realized in the expected time frame, the overall performance of the Client's portfolio may suffer.
- *Equity Risk:* Equity securities tend to be more volatile than other investment choices. The value of an individual mutual fund or ETF can be more volatile than the market as a whole. This volatility affects the value of the Client's overall portfolio. Small- and mid-cap companies are subject to additional risks. Smaller companies may experience greater volatility, higher failure rates, more limited markets, product lines, financial resources, and less management experience

than larger companies. Smaller companies may also have a lower trading volume, which may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies.

- *Fixed Income Risk:* The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities held by a fund is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.
- *Investment Companies Risk:* When a Client invests in open end mutual funds or ETFs, the Client indirectly bears their proportionate share of any fees and expenses payable directly by those funds. Therefore, the Client will incur higher expenses, which may be duplicative. In addition, the Client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value or (ii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. Adviser has no control over the risks taken by the underlying funds in which Client invests.
- *Long-term purchases:* Long-term investments are those vehicles purchased with the intension of being held for more than one year. Typically the expectation of the investment is to increase in value so that it can eventually be sold for a profit. In addition, there may be an expectation for the investment to provide income. One of the biggest risks associated with long-term investments is volatility, the fluctuations in the financial markets that can cause investments to lose value.
- *Short-term purchases:* Short-term investments are typically held for one year or less. Generally there is not a high expectation for a return or an increase in value. Typically, short-term investments are purchased for the relatively greater degree of principal protection they are designed to provide. Short-term investment vehicles may be subject to purchasing power risk — the risk that your investment's return will not keep up with inflation.
- *Trading risk:* Investing involves risk, including possible loss of principal. There is no assurance that the investment objective of any fund or investment will be achieved.

## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

MWM and its management have not been involved in any criminal or civil action.

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### **Administrative Enforcement Proceedings**

MWM and its management have not been involved in administrative enforcement proceedings.

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### **Self-Regulatory Organization Enforcement Proceedings**

MWM and its management have not been involved in legal or disciplinary events that are material to a Client's or prospective Client's evaluation of MWM or the integrity of its management.

Massachusetts law requires disclosure that information on disciplinary history and the registration of MWM and its associated persons may be obtained by contacting the SEC's Office of Investor Education and Advocacy at (202) 942-8090, Option 6. Disciplinary history may also be obtained from the Massachusetts Securities Division at (617) 727-3548, and if asked, MWM and its associated persons must also disclose the history.

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

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### **Broker-Dealer or Representative Registration**

MWM is not registered as a broker-dealer and no affiliated representatives of MWM are registered representatives of a broker-dealer.

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### **Futures or Commodity Registration**

Neither MWM nor its affiliated representatives are registered or have an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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### **Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

Managing Member Sergio Mariaca is also a licensed insurance agent. He may offer Clients services from this activity. This practice represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

Mr. Mariaca also acts as the manager of various entities that own, lease and manage single family home communities. His duties as a manager include the strategic management of the companies; oversight of company and property managers; and from time to time, the sale and acquisition of properties. His duties as a manager of these companies do not create a conflict of interest to his provision of advisory services through MWM. Clients of our company are not solicited to invest in any of these or future entities that Mr. Mariaca is associated with in this capacity.

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### **Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

MWM does not select or recommend other investment advisors.

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

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### **Code of Ethics Description**

The affiliated persons (affiliated persons include employees and/or independent contractors) of MWM have committed to a Code of Ethics (“Code”). The purpose of our Code is to set forth standards of conduct expected of MWM affiliated persons and addresses conflicts that may arise. The Code defines acceptable behavior for affiliated persons of MWM. The Code reflects MWM and its supervised persons’ responsibility to act in the best interest of their Client.

One area which the Code addresses is when affiliated persons buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our Clients. We do not allow any affiliated persons to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our Clients.

MWM’s policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other affiliated person, officer or director of MWM may recommend any transaction in a security or its derivative to advisory Clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

MWM’s Code is based on the guiding principle that the interests of the Client are our top priority. MWM’s officers, directors, advisors, and other affiliated persons have a fiduciary duty to our Clients and must diligently perform that duty to maintain the complete trust and confidence of our Clients. When a conflict arises, it is our obligation to put the Client’s interests over the interests of either affiliated persons or the company.

The Code applies to “access” persons. “Access” persons are affiliated persons who have access to non-public information regarding any Clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to Clients, or who have access to such recommendations that are non-public.

MWM will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

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### **Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

MWM and its affiliated persons do not recommend to Clients securities in which we have a material financial interest.

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### **Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

MWM and its affiliated persons may buy or sell securities that are also held by Clients. In order to mitigate conflicts of interest such as trading ahead of Client transactions, affiliated persons are required to disclose all reportable securities transactions as well as provide MWM with copies of their brokerage statements.

The Chief Compliance Officer of MWM is Sergio Mariaca. He reviews all trades of the affiliated persons each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of MWM receive preferential treatment over associated persons' transactions.

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### **Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

MWM does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, affiliated persons may buy or sell securities at the same time they buy or sell securities for Clients. In order to mitigate conflicts of interest such as front running, affiliated persons are required to disclose all reportable securities transactions as well as provide MWM with copies of their brokerage statements.

The Chief Compliance Officer of MWM is Sergio Mariaca. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of affiliated persons does not affect the markets and that Clients of MWM receive preferential treatment over associated persons' transactions.

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## **Item 12: Brokerage Practices**

### **Factors Used to Select Broker-Dealers for Client Transactions**

MWM may recommend the use of a particular broker-dealer such as TD Ameritrade Institutional is a Division of TD Ameritrade, Inc., Member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member or may utilize a broker-dealer of the Client's choosing. MWM will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. MWM relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by MWM.

- *Directed Brokerage*

In circumstances where a Client directs MWM to use a certain broker-dealer, MWM still has a fiduciary duty to its Clients. The following may apply with Directed Brokerage: MWM's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among Clients and conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise Client portfolios have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. MWM does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by MWM from or through a broker-dealer in exchange for directing Client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, MWM receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of MWM. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when MWM receives soft dollars. This conflict is mitigated by the fact that MWM has a fiduciary responsibility to act in the best interest of its Clients and the services received are beneficial to all Clients.

MWM utilizes the services of custodial broker dealers. Economic benefits are received by MWM which would not be received if MWM did not give investment advice to Clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to MWM's accounts, ability to conduct "block" Client trades, electronic download of trades, balances and positions, duplicate and batched Client statements, and the ability to have advisory fees directly deducted from Client accounts.

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**Aggregating Securities Transactions for Client Accounts**

MWM is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of MWM. All Clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

**Item 13: Review of Accounts**

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**Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Account reviews are performed quarterly by the Chief Compliance Officer of MWM. Account reviews are performed more frequently when market conditions dictate. Financial plans generated are updated as requested by the Client and pursuant to a new or amended agreement, MWM suggests updating at least annually.

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**Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of Clients' accounts are changes in the tax laws, new investment information, and changes in a Client's own situation.

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**Content of Client Provided Reports and Frequency**

Clients receive written account statements no less than quarterly for managed accounts. Account statements are issued by MWM's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

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

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### **Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

As disclosed under Item 12 above, MWM participates in TD Ameritrade's institutional customer program and MWM may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between MWM's participation in the program and the investment advice it gives to its Clients, although MWM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving MWM participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to MWM by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by MWM's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit MWM but may not benefit its Client accounts. These products or services may assist MWM in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help MWM manage and further develop its business enterprise. The benefits received by MWM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to Clients, MWM endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that the receipt of economic benefits by MWM or its related persons in and of itself creates a conflict of interest and may indirectly influence the MWM's choice of TD Ameritrade for custody and brokerage services.

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### **Advisory Firm Payments for Client Referrals**

MWM does not compensate for Client referrals.

## **Item 15: Custody**

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### **Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to Clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to any documentation or reports prepared by MWM.

MWM is deemed to have constructive custody solely because advisory fees are directly deducted from Client's accounts by the custodian on behalf of MWM.

## **Item 16: Investment Discretion**

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### **Discretionary Authority for Trading**

MWM requires discretionary authority to manage securities accounts on behalf of Clients. MWM 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.

MWM allows Client's to place certain restrictions, as outlined in the Client's Investment Policy Statement or similar document. Such restrictions could include only allowing purchases of socially conscious investments. These restrictions must be provided to MWM in writing.

The Client approves the custodian to be used and the commission rates paid to the custodian. MWM does not receive any portion of the transaction fees or commissions paid by the Client to the custodian.

## **Item 17: Voting Client Securities**

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### **Proxy Votes**

MWM does not vote proxies on securities. Clients are expected to vote their own proxies. The Client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, MWM will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Item 18: Financial Information**

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### **Balance Sheet**

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

MWM has no condition that is reasonably likely to impair our ability to meet contractual commitments to our Clients.

Neither MWM nor its management has had any bankruptcy petitions in the last ten years.

ITEM 1 COVER PAGE

**SUPERVISED PERSON BROCHURE**  
FORM ADV PART 2B



**MARIACA**  
WEALTH MANAGEMENT, LLC.



Sergio A. Mariaca

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**Website:**  
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This brochure supplement provides information about Sergio Mariaca and supplements the Mariaca Wealth Management, LLC. ("MWM") brochure. You should have received a copy of that brochure. Please contact Sergio Mariaca if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Sergio Mariaca (CRD #2966227) is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**MARCH 13TH,  
2018**

## Brochure Supplement (Part 2B of Form ADV)

### Supervised Person Brochure - Sergio A. Mariaca

- Year of birth: 1969
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#### Item 2 - Educational Background and Business Experience

##### Educational Background:

- University of North Carolina – Asheville; B.S. in Economics and Financial Management; 1997

##### Business Experience:

- Mariaca Wealth Management, LLC., Managing Member/Investment Adviser Representative, 04/2009 to Present
  - Sergio Mariaca, Independent Insurance Agent; 12/1998 to Present
  - PKS Financial, Registered Representative/Investment Adviser Representative/Registered Securities Principal, 08/2012 to 09/2013
  - LPL Financial, Registered Representative/Investment Adviser Representative/Registered Securities Principal, 07/2007 to 08/2012
  - Raymond James Financial Services, Registered Representative/ Investment Adviser Representative/Registered Securities Principal, 10/2002 to 07/2007
  - Sterling Financial Services, Vice President/Registered Representative/Investment Adviser Representative and Registered Securities Principal, 08/1998 to 10/2002
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#### Item 3 - Disciplinary Information

*Criminal or Civil Action:* None to report.

*Administrative Proceeding:* None to report.

*Self-Regulatory Proceeding:* None to report.

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#### Item 4 - Other Business Activities Engaged In

Managing Member Sergio Mariaca is also a licensed insurance agent. He may offer Clients services from this activity. This practice represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by disclosures, procedures and the firm's fiduciary obligation to place the best interest of the Client first and the Clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

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#### Item 5 - Additional Compensation

Sergio Mariaca receives commissions on the insurance he sells. He does not receive any performance based fees.

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#### Item 6 - Supervision

Since Sergio Mariaca is the sole owner and investment adviser representative of MWM. He is solely responsible for all supervision and formulation and monitoring of investment advice offered to Clients. He will adhere to the policies and procedures as described in MWM's Compliance Manual.