

Item 1: Cover Sheet

INFORMATIONAL BROCHURE

Form ADV Part 2A



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Mark Germain, Chief Compliance Officer  
March 31, 2017

**This brochure provides information about the qualifications and business practices of Beacon Wealth Management, LLC. If you have any questions about the contents of this brochure, please contact us at 201-447-9500 or via email at [mark@bwmlc.com](mailto:mark@bwmlc.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 Beacon Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2: Statement of Material Changes**

There are no material changes.

**Item 3: Table of Contents**

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INFORMATIONAL BROCHURE  
BEACON WEALTH MANAGEMENT, LLC

**Item 4:      **Advisory Business****

Beacon Wealth Management, LLC (Beacon Wealth Management) has been in business since 2002. Mark Germain and Tina Powell are the firm's principal owners. Leadership has been in the business of providing investment advice to clients for over 30 years.

Beacon Wealth Management, LLC provides personalized financial planning and/or investment management services. Clients advised may include individuals, trusts, foundations, pensions and corporations.

Financial Planning

Generally, all clients receive financial planning services. In most cases, the client will supply to Beacon Wealth Management information including income, investments, savings, insurance, age and many other items that are helpful to the firm in assessing your financial goals. The information is typically provided during personal interviews and supplemented with written information. Once the information is received, we will discuss your financial needs and goals with you, and compare your current financial situation with the goals you state. Once these are compared, we will create a financial plan to help you meet your goals. The plan is intended to be a suggested blueprint of how to meet your goals. Not every plan will be the same for every client. Each one is specific to the client who requested it.

While multi-year projections and summaries may be appropriate in some cases, services are generally project-oriented, generated upon client request and therefore not continuous. For clients who engage Beacon solely for financial planning, agreements for financial planning services terminate on presentation of the financial plan, and therefore any updates can be provided for a fee upon request.

Because the plan is based on information supplied by you, it is very important that you accurately and completely communicate to us the information we need. Also, your personal life may change as your engagement with us progresses. It is very important that you continually update us with any changes so that if the updates require changes to your plan, we can make those changes. Otherwise, your plan may no longer be accurate. Beacon will not and is not obligated to independently verify any of the information given to Beacon by the client or anyone acting on client's behalf.

Once you have your financial plan, the decision is yours how to implement it. If you decide to implement your financial plan through Beacon Wealth Management, you will become an asset management client. As Beacon implements the financial plan, it is anticipated that Beacon will work closely with the client's accountants, attorney, insurance agent or other professionals. Beacon will not communicate with any other professionals without Client's permission. If you request, Beacon may recommend the services other professionals for implementation purposes, including Beacon's representatives in their individual capacities as licensed insurance agents (See disclosures at Item 10). You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation from Beacon. If you engage any

professional recommended by Beacon, and a dispute arises thereafter relative to such engagement, you agree to seek recourse exclusively from and against the engaged professional.

In instances where a full plan is not desired or necessary (or has been completed in the past), clients may engage Beacon on a consulting basis to provide advice on a variety of business and financial topics, including estate planning, retirement planning or employer 401(k) plans. Clients receiving consulting services outside the scope of financial planning or investment management services are reminded that a full financial plan after full disclosure of pertinent facts is best, as limited facts out of context may produce less desirable results. Fees for consulting services may be hourly or fixed fee. Fixed fees for consulting services vary greatly, as the nature of the projects are unique.

### Asset Management

#### **Separate Accounts**

Beacon Wealth Management requires each client seeking investment management services to place at least \$500,000 with us. We may waive this account minimum under certain circumstances, in our discretion. Clients should note that account performance may be affected more on smaller accounts due to difficulties with diversifying smaller accounts and due to risk controls potentially being compromised. Performance of smaller accounts may vary from the performance of accounts with additional dollars invested due to fluctuations in the market that may affect smaller accounts more and the effects of compounding may be more beneficial in larger accounts.

If you wish us to manage your investment accounts, we will ask you to provide us with investment guidelines, so that we can create asset allocations that meet your needs. These guidelines can be developed with our help or you can create them yourself. Some examples of guidelines include your risk tolerance, or a maximum amount of assets to be held in non-U.S. investments, or a limit on the amount of stocks in your portfolio.

Asset management services may be provided on either a “discretionary” or “non-discretionary” basis. When Beacon Wealth Management is engaged to provide asset management services on a discretionary basis, we will monitor your accounts to ensure that they are meeting your asset allocation requirements. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. You may receive at your request written or electronic confirmations from your account custodian after any changes are made to your account. You will also receive monthly statements from your account custodian. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Management Agreement that outlines the responsibilities of both the client and Beacon Wealth Management.

When a client engages us to provide investment management services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. The difference is that changes to your account will not be made until we have confirmed with you (either verbally or in writing) that our proposed change is acceptable to you.

## **Pooled Accounts**

Beacon acts as the investment manager for a pooled investment vehicle, 18 Squared Tactical Fund, LP (18 Squared) and an affiliate of Beacon serves as the general partner to the same vehicle. The investment program of 18 Squared involves the investment of assets, both directly and indirectly through third party managers in various asset classes including equities, bonds, and real estate. Clients may be invited to invest in the private placement, but only if the respective investment is appropriate for the client. Beacon charges a management fee to the private placement (please see Item 5 for details). The management of the assets in the pooled vehicle are managed in accordance with the fund's offering documents. Clients invested in the pooled vehicle should consult that vehicle's offering documents.

As of the December 31, 2016, Beacon Wealth Management has \$237,865,000 in total assets under management across 920 accounts. Of that total, \$2,507,000 across 18 accounts was managed on a non-discretionary basis.

## **Item 5: Fees and Compensation**

### **A. Fees Charged**

#### **1. Financial Planning**

Financial planning fees can be either hourly or on a fixed fee basis. Our hourly charge is \$600.00 per hour for senior professionals and \$125 per hour for junior professionals. Lower cost staff members will be utilized when appropriate. Fixed fee arrangements range from \$1,000.00 to \$25,000.00. Fees are negotiable, and will depend on the anticipated complexity of your plan.

#### **2. Investment Management**

All investment management clients will be required to execute an Investment Management Agreement that will describe the type of management services to be provided and the fees, among other items.

Generally, fees vary from 0.75% to 1.50% per annum of the market value of a client's assets managed by Beacon Wealth Management. The fee range stated is a guide. Fees may be higher or lower than this range, based on the nature of the account. Factors affecting fee percentages include the size of the account, complexity of asset structures, and other factors.

#### **3. Pooled Investment Vehicles**

Fees charged to pooled investment vehicles are as described in the vehicle's respective private placement memorandum. The fund's general partner, in conjunction with Beacon, may modify or waive the fee arrangement for a given limited partner. Please see the fund's private placement memorandum for specific details.

## B. Fee Payment

Fees for financial planning will be billed to each client. Fees for asset management will be deducted directly from each client's account. The management fee is paid quarterly, in advance, and the value used for the fee calculation is the last market day of the previous month. This means that if your annual fee is 1.00%, then each quarter we will multiply the value of your account by 1.00% then divided by 4 to calculate our fee. The value used to calculate Beacon Wealth Management's fee will include any allocation to cash or cash-like instruments, such as money market funds or accounts, of the client's investable assets. Investable cash means cash that is in client account as an asset allocation. Cash that is not in investable cash is cash that has been identified by the client as designated for a specific purpose. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to Beacon Wealth Management.

## C. Other Fees

All fees paid to Beacon Wealth Management for advisory services are separate from the fees and expenses charged to shareholders of mutual fund shares (in the case of mutual funds), ETFs (which may include custody fees, transaction fees, commissions and expenses), or by a third party investment adviser managing the portfolios (in the case of money managers). You will be responsible for fees including transaction fees for the purchase or sale of a mutual fund or Exchange Traded Fund, or commissions for the purchase or sale of a stock. Expenses of a fund will not be included in management fees, as they are deducted from the value of the shares by the mutual fund manager. For complete discussion of expenses related to each mutual fund, you should read a copy of the prospectus issued by that fund. Beacon Wealth Management can provide or direct you to a copy of the prospectus for any fund that we recommend to you, and you are encouraged to read the prospectus for any mutual fund or ETF thoroughly, as well as the Form ADV for any money manager. A prospectus for any new fund you invest in for the first time is automatically sent to your by the custodian for your account.

Beacon Wealth Management may utilize the services of other managers when Beacon deems appropriate for a client. Managers are chosen based on investment performance, operations, and offerings to determine if the manager would be a fit for Beacon clients. This process continues on an ongoing basis, throughout the time the client works with the third party manager. It is important to note that these managers will charge a separate and additional fee for their services. Beacon will consider these fees in its decision to recommend the use of a third party manager. The use of a third party manager does not change the relationship between Beacon and the client, in that Beacon will still manage the overall client portfolio, adding, subtracting and modifying the allocation to different strategies and managers.

Please make sure to read Item 10 of this informational brochure, where we discuss broker-dealer and custodial issues.

## D. *Pro-rata* Fees

If you become a client during a quarter, you will pay a management fee for the number of days left in that quarter. If you terminate our relationship during a quarter, you will be charged a management fee for the remainder of the quarter. Once your notice of termination is received, we will charge the fee through the date of transfer of your assets). Beacon Wealth Management will cease to perform services, including processing trades and distributions, upon termination. Assets not transferred from terminated accounts within thirty (30) days of termination may be "de-

linked”, meaning they will no longer be visible to Beacon Wealth Management and will become a retail account with the custodian.

Clients who invest in a pooled invested vehicle managed by Beacon will incur transaction charges as well as costs specific to the operation of the fund, including accounting, legal, and audit costs. For specific detail about fees and expenses, client should refer to their fund’s private placement memorandum.

#### E. Compensation for the Sale of Securities.

Neither Beacon Wealth Management nor any of its employees receives compensation for the sale of securities to our clients. Beacon Wealth Management is not a broker-dealer, and no employee of Beacon Wealth Management is a registered representative of a broker-dealer.

### **Item 6: Performance Based Fees**

Fees paid to Beacon Wealth Management will not be based upon a share of capital gains or capital appreciation of your accounts (otherwise known as “performance based fees”). However, in the case of a third party money manager or private placement investment, the manager on those assets may charge a performance based fee. Beacon Wealth Management will not recommend any third party money manager or private placement that charges a performance based fee to any client who does not meet the definition of a “qualified client” under the Investment Advisers Act of 1940. Beacon Wealth Management will also take into consideration the cost-benefit analysis and conflicts of interest inherent in a performance based fee when deciding whether to recommend a third party money manager or private placement that charges such a fee.

Neither Beacon nor any affiliate, receives performance based fees related to management of any pooled investment vehicle.

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

Clients advised may include individuals, trusts, foundations, pensions, corporations and pooled investments.

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

It is important for you to know and remember that all investments carry risks. **Investing carries a risk of loss all clients should be prepared to bear.**

#### A. Separate Accounts

Each client’s portfolio will be invested according to that client’s investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines. An asset allocation strategy is a percentage-based allocation to different investment types. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in mutual funds, 30-40% invested in stocks and the rest



in bonds. Another client may have an asset allocation of 50-60% in bonds, and the remainder in mutual funds. The percentages in each type that we recommend are based on the typical behavior of that security type, individual securities we follow, current market conditions, your current financial situation, your financial goals, and the timeline to get you to those goals. Because we develop an investment strategy based on your personal situation and financial goals, your asset allocation guidelines may be similar to or different from another client's.

Once we have designed your asset allocation guidelines, we will buy or sell securities in your portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary. In addition, Beacon Wealth Management utilizes the "iRebal" system to assist the firm in monitoring client accounts. The iRebal system will alert the firm that an account is out of balance from its investment guidelines, which will trigger a review. Upon review, the firm may determine to "rebalance" the client portfolio (buy or sell securities in the portfolio to bring it back to within the guidelines specified) or determine that circumstances exist that would make a rebalance of the portfolio inadvisable (temporary market shifts, changes in client circumstances, etc).

Once the asset allocation guidelines are determined, we may also determine to place the client's portfolio into one of our proprietary asset allocation strategies:

*Income:* Seeks a market level of income consistent with a conservative level of risk relative to the total bond market. Provides a diversified portfolio targeting 20% stocks and 80% bonds for the income focused investor.

*Conservative:* Seeks a conservative level of total return consistent with a conservative level of risk relative to the S&P 500 combined with the bond market. Provides a diversified portfolio targeting 40% stocks and 60% bonds for the conservative risk investor.

*Moderate:* Seeks a high level of total return consistent with a moderate level of risk relative to the S&P 500. Provides a diversified portfolio targeting 60% stocks and 40% bonds for the moderate risk investor.

*Aggressive:* Seeks a high level of total return consistent with a moderately aggressive level of risk relative to the S&P 500. Provides a diversified portfolio targeting 80% stocks and 20% bonds for the moderately aggressive risk investor.

*Very Aggressive:* Seeks a high level of total return consistent with a level of risk relatively close to the S&P 500. Provides a diversified portfolio targeting 100% stocks for the aggressive risk investor.

The above strategies are designed for operational efficiency and to give clients a better sense of the purpose of an allocation. Not all portfolios in each strategy will contain the exact same allocations to individual securities.

Additionally, part of the Beacon Wealth Management process includes, where appropriate, involving multiple generations in order to facilitate family financial planning. This can increase the financial education of the later generations and manage expectations. However, potential for

conflicts of interest exist with the exchange of intergenerational information. Beacon Wealth Management attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household's consent.

### *Third Party Managers*

We may recommend that certain portions of a client's portfolio be managed by independent third-party managers or recommend direct investment with independent third-party managers, typically when those managers demonstrate knowledge and expertise in a particular investment strategy.

We examine the experience, expertise, investment philosophies and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentration and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

Based on a client's individual circumstances and needs, we will determine which selected money manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance and the investment philosophy of the selected money manager. We encourage clients to review each third-party manager's disclosure document regarding the particular characteristics of any program and managers selected by us.

We will regularly and continuously monitor the performance of the selected money managers. If we determine that a particular selected money manager is not providing sufficient management services to the client, or are not managing the client's portfolio in a manner consistent with the client's investment objectives, we will remove the client's assets from that selected money manager and place the client's assets with another money manager at our discretion and without prior consent from the client.

Beacon will obtain appropriate due diligence on all independent third-party managers, making reasonable inquiries into their performance calculations, policies and procedures, code of ethics policies and other operational and compliance matters to account for performance and risk management. We examine the experience, expertise, investment philosophies and past performance of third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

#### A. Pooled Investment

Each pooled investment vehicle will be managed according to the stated investment program in the fund's private placement memorandum. Individual partners in a fund will not receive individual asset management within the fund. For details regarding the investment program, client should refer to their fund's private placement memorandum.

## B. Risk of Loss

There are always risks to investing. It is impossible to name all possible types of risks. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading.** Clients should note that Beacon may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Beacon endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.
- **Financial Risk.** The amount of debt or leverage determines the financial risk of a company.
- **Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- **Risks specific to sub-advisors and other managers.** If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- **Margin Risk.** "Margin" is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. Beacon utilizes margin on a limited basis for clients with higher risk tolerances.

- **Short Sales.** “Short sales” are a way to implement a trade in a security Beacon feels is overvalued. In a “long” trade, the investor is hoping the security increases in price. Thus in a long trade, the amount of the investor’s loss (without margin) is the amount paid for the security. In a short sale, the investor is hoping the security decreases in price. However, unlike a long trade where the price of the security can only go from the purchase price to zero, in a short sale, the price of the security can go infinitely upwards. Thus in a short sale, the potential for loss is unlimited and unknown, where the potential for loss in a long trade is limited and knowable. Beacon utilizes short sales only when the client’s risk tolerances permit.
- **Risk specific to private placements.** If all or a portion of a client’s assets are invested in a private placement, there are additional risks. These include risks that the investment strategy of the private placement may not be as specific to your needs as a separately managed account (because the assets are pooled with other investors). Investors in a private placement may not have access to the same liquidity as in a separately managed account. Risk management guidelines may also be more liberal than we would normally employ. Valuation of the underlying assets may be less frequent and much more subjective. For a more complete discussion of risks associated with a private placement, clients interested in having assets invested in a private placement should refer to the fund’s private placement memorandum.
- **Information Risk.** All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- **Small Companies.** Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company’s future. For example, a company’s management may lack experience, or the company’s capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited as compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- **Concentration Risk.** While Beacon Wealth Management selects individual equities and bonds for client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client’s equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client’s equity portfolio may be affected negatively, including significant losses.
- **Transition Risk.** As assets are transitioned from a client’s prior advisers to Beacon Wealth Management there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Beacon Wealth Management. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions

on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a client's holdings into recommendations of Beacon Wealth Management may adversely affect the client's account values, as Beacon Wealth Management's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **REITs.** Beacon Wealth Management may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation, that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.
- **MLPs.** Beacon Wealth Management may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as "MLPs". An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client's portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager's experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments. Clients should ask Beacon Wealth Management any questions regarding the role of MLPs in their portfolio.
- **International Investing.** Investing outside of the United States, especially in emerging markets, can have special or enhanced risks. The most obvious are political risk (changes in local politics can have a vast impact on the markets in that country as well as regulations affecting given issuers) and currency risk (changes in exchange rates between the dollar and the local denominations can materially affect the value of the security even if the underlying fundamentals and market price are stagnant). There are other risks, including enhanced

liquidity risk, meaning that while domestic equities and mutual funds are generally easily liquidated (though there may be a risk of loss due to the timing of the sale), equities in other jurisdictions may be subject to the circumstances of lower overall market volume and fewer companies on an emerging exchange. In addition, there may be less information and less transparency in a foreign market or from a foreign company. Foreign markets impose different rules than domestic markets, which may not be to an investor's advantage. Also, companies in foreign jurisdictions are generally able to avail themselves of local laws and venues, meaning that legal remedies for U.S. investors may not be as easily obtained as in the U.S.

**Item 9: Disciplinary Information**

None to report.

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

A. Broker-dealer

Please see response to Item 14 of this Part 2

B. Futures Commission Merchant/Commodity Trading Advisor

Neither Mr. Germain nor any related 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.

C. Relationship with Related Persons

Mr. Germain is separately licensed as an independent insurance agent. As such, Mr. Germain may conduct insurance product transactions for Beacon Wealth Management clients, in his capacity as a licensed insurance agent, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as an investment adviser. The receipt of additional fees for insurance commissions is a conflict of interest, and clients should be aware of this conflict when considering whether to engage Beacon Wealth Management or utilize Mr. Germain to implement any insurance recommendations. Beacon Wealth Management attempts to mitigate this conflict of interest by disclosing the conflict to clients and informing the clients that they are always free to use purchase insurance products through other agents that are not affiliated with Beacon Wealth Management, or to determine not to purchase the insurance product at all.

D. Recommendations of Other Advisers

Mr. Germain occasionally recommends clients to Dome Equities, LLC, a real estate investment firm, for a referral fee. This is a conflict of interest, and clients should be aware of this conflict when considering whether to engage Beacon Wealth Management or utilize Mr. Germain to implement any investment recommendations. Beacon Wealth Management attempts to mitigate this conflict of interest by disclosing the conflict to clients and informing the clients that they are always free to use other real estate investment firms, or to determine not to use a real estate

investment firm at all. For more information regarding Beacon's use of third party managers please see response to Item 8 for a full discussion.

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

- A. A copy of our Code of Ethics is available upon request. Our Code of Ethics includes discussions of our fiduciary duty to clients, political contributions, gifts, entertainment, and trading guidelines.
- B. Neither Beacon Wealth Management nor any related 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.
- C. On occasion, an employee of Beacon Wealth Management may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.
- D. On occasion, an employee of Beacon Wealth Management may purchase for his or her own account securities which are also recommended for clients at the same time the clients purchase the securities. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades must be reviewed by the Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

**Item 12: Brokerage Practices**

- A. Recommendation of Broker-Dealer

Beacon Wealth Management currently recommends that investment accounts be held in custody by either TD Ameritrade Institutional ("TDA") or Schwab Institutional Division of Charles Schwab & Co., Inc. ("Schwab"). TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade and Schwab offer to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Beacon receives some benefits from TD Ameritrade and/or Schwab through its participation in the programs. (Please see the disclosure under Item 14 below.) Both TDA and Schwab are third parties, wholly independent of Beacon. It is expected that most, if not all, transactions in a given client account will be cleared through the custodian of that account in its capacity as a broker-dealer.

TDA and Schwab, like all broker-dealers, charge brokerage commissions or transaction fees for trades in client accounts. Commissions are per-share or per trade charges for the execution of either a purchase or sale of securities (stocks or bonds). Transaction fees are charged for the execution of a purchase or sale of mutual funds. Beacon does not and will not receive any portion of these transaction charges from TDA or Schwab. In addition to the management fee paid to TDA, and the transaction fees/commissions charged by the custodian acting as a broker-dealer, some of the mutual funds will also charge transaction fees.

Beacon may also open "omnibus" accounts at other broker-dealers when Beacon believes such firms can better facilitate certain transactions for the clients. The brokerage firms opening such accounts do not name the client on the account but instead use the account to facilitate purchase and sale transactions for Beacon and then send transaction information to the client's custodian. Beacon team members review the confirmations after such transactions occur to be sure proper execution and delivery of securities are made to client accounts.

Beacon recommends certain broker-dealers to its clients based on a variety of factors. These include, but are not limited to, commission costs. In choosing a broker-dealer or custodian to recommend, Beacon is most concerned with the value the client receives for the cost paid, not just the cost. Other factors that may be considered in determining overall value include speed and accuracy of execution, financial strength, knowledge and experience of staff, research and service. Specifically, Schwab and TDA have what can be considered discount commission rates, as well as arrangements with many mutual funds that enable Beacon to purchase these mutual funds for client accounts at reduced transaction charges (as opposed to other broker-dealers). They have the highest market share of investment adviser business which makes them the most experienced in matters likely to arise for Beacon clients. Beacon re-evaluates the use of Schwab, TDA and other broker-dealers at least annually to determine if these custodians are still the best value for Beacon clients.

In selecting TDA as a broker-dealer/custodian for certain of its current and future client accounts, Beacon takes into consideration its arrangement with TDA as to obtaining price discounts for TDA's automatic portfolio rebalancing service for advisors known as "iRebal".

The standard iRebal annual license fee applicable to Beacon varies from \$20,000 to more than \$130,000 depending upon assets under management. That fee is subject to specified reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the TDA platform or are committed to be placed on it. Specified client taxable assets either maintained on or committed to the TDA platform will bring fee reductions for up to five years or more.

The non-taxable assets excluded from the maintenance and commitment levels described above are those that constitute "plan assets" of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs).

If Beacon does not maintain the relevant level of taxable assets on the TDA platform, Beacon may be required to make a penalty fee payment to TDA calculated on the basis of the shortfall.

Although Beacon believes that the products and services offered by TDA are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with TDA as to the iRebal service may affect Beacon's independent judgment in selecting or



maintaining TDA as the broker or custodian for client accounts. Beacon's use of this software may present a conflict of interest.

Registrant serves on the TD Ameritrade Institutional Advisor Panel ("Panel"). The Panel consists of approximately thirty (30) independent investment advisors that advise TD Ameritrade Institutional ("TDA Institutional") on issues relevant to the independent advisor community. The Panel meets in person on average three to four times per year and conducts periodic conference calls on an as needed basis. Investment advisors are appointed to serve on the Panel for three-year terms by TDA Institutional senior management. An investment advisor may serve longer than three years if appointed to additional terms by TDA Institutional senior management. Registrant's current term expires on March 11, 2017. At times, Panel members are provided confidential information about TDA Institutional initiatives. Panel members are required to sign confidentiality agreements. TD Ameritrade, Inc. ("TD Ameritrade") does not compensate Panel members. However, TD Ameritrade pays or reimburses Registrant for the travel, lodging and meal expenses Registrant incurs in attending Panel meetings. The benefits received by Registrant or its personnel by serving on the Panel do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Registrant's recommendation of TD Ameritrade for custody and brokerage services.

#### B. Aggregating Trades

Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a *pro rata* basis, except where doing so would create an unintended adverse consequence (For example,  $\frac{1}{4}$  of a share, or a position in the account or less than 1%.)

### **Item 13: Review of Accounts**

All accounts will be reviewed by a licensed professional at Beacon Wealth Management on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger reviews during the year. Specifically, the iRebal system will alert the firm that an account is out of balance from its investment guidelines, which will trigger a review. Reasons an account can be out of balance include positive or negative performance (or either the markets in general or a specific sector or even a specific security), a withdrawal by a client, or changes in that client's investment guidelines.

All clients will receive a quarterly report from Beacon Wealth Management, as well as statements from Schwab or TD Ameritrade, and copies of all trade confirmations directly from Schwab or TD Ameritrade. We encourage you to compare the information on your quarterly report prepared by Beacon Wealth Management against the information in the statements provided directly from Schwab or TD Ameritrade and alert us of any discrepancies.

Clients invested in a pooled investment vehicle will receive reports specific in the fund's private placement memorandum.

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

Beacon Wealth Management participates in TD Ameritrade's institutional customer program and Beacon Wealth Management may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Beacon Wealth Management's participation in the program and the investment advice it gives to its clients, although Beacon Wealth Management 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): duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor 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 Beacon Wealth Management by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Beacon Wealth Management's related person and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Beacon Wealth Management's personnel to attend conferences or meetings relating to the program or to TD Ameritrade's advisor custody and brokerage services generally. Some of the products and services made available by TD Ameritrade through the program may benefit Beacon Wealth Management but may not benefit its client accounts. These products or services may assist Beacon Wealth Management in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Beacon Wealth Management manage and further develop its business enterprise. The benefits received by Beacon Wealth Management or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by Beacon Wealth Management or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Beacon Wealth Management's recommendation of TD Ameritrade for custody and brokerage services.

Beacon also receives from TDA certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisers participating in the program. Specifically, the Additional Services include Orion.

TDA provides the Additional Services to Beacon in its sole discretion and at its own expense, and Beacon does not pay any fees to TDA for the Additional Services. Beacon and TDA have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Beacon's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Beacon, TDA most likely considers the amount and profitability to TDA of the assets in, and trades placed for, Beacon's client accounts maintained with TDA. TDA has the right to terminate the Additional Services Addendum with Beacon, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TDA, Beacon may have an incentive to recommend to its clients that the assets under management by Beacon be held in custody with TDA and to place transactions for client accounts with TDA. Beacon's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including to seek best execution of trades for Client accounts.

TDA, Schwab or another broker-dealer may provide Beacon with some non-cash benefits (not available to retail customers) in return for placing client assets with that custodian or executing trades through that broker-dealer. Such non-cash benefits are referred to as “soft dollars”. Currently, these benefits come in the forms discussed above. These products, services, or educational seminars are items that will play a role in determining how to invest client accounts. At all times, Beacon’s receipt of soft dollars will be in compliance with Section 28(e) of the securities Exchange Act of 1934. If there is any item that has a multi-use aspect, mixed between investment and non-investment purposes, Beacon will determine a reasonable allocation of investment to non-investment use and soft dollars will be allocated only to the investment portion of the product. Products and services received via soft dollars will generally be used for the benefit of all clients. However, it is possible that a given client’s trades will generate soft dollars that acquire products and/or services that are not ultimately utilized for that same client’s account. Soft dollars provide additional value to utilizing a give broker-dealer or custodian, and are accordingly considered in determining which broker-dealer or custodian to utilize as part of Beacon’s best execution analysis.

Clients may be introduced to Beacon Wealth Management via other third parties. In the event that Beacon Wealth Management compensates any party for the referral of a client to Beacon Wealth Management, any such compensation will be paid by Beacon Wealth Management, and not the client. If the client is introduced to Beacon Wealth Management by an unaffiliated third party, that third party will disclose the referral arrangement with Beacon Wealth Management, including the compensation for the referral, and provide the client a copy of Beacon Wealth Management’s ADV Part 2A and 2B. The referral source will also provide a written disclosure to the client regarding the relationship between Beacon Wealth Management and the referral source, including the fact that referral fees will be paid.

#### **Item 15: Custody**

By virtue of the management and affiliate general partner acting on behalf of a pooled investment vehicle, Beacon Wealth Management has custody of client funds. Any private placement managed by Beacon will be independently audited. Limited partners will receive statements from an independent administrator, which should be carefully reviewed against information received about the fund from Beacon.

#### **Item 16: Investment Discretion**

Please see Item 4 for a discussion of investment discretion.

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

Copies of our Proxy Voting Policies and procedures are available upon request.

From time to time, shareholders of stocks, mutual funds, exchange traded funds or other securities may be permitted to vote on various types of corporate actions. Examples of these actions include mergers, tender offers, or board elections. Clients are required to vote proxies related to their investments, or to choose not to vote their proxies. Beacon Wealth Management will not accept authority to vote client securities for its separate account clients. Clients will

receive their proxies directly from the custodian for the client account. Beacon Wealth Management will not give clients advice on how to vote proxies.

Beacon will vote proxies on behalf of any pooled investment vehicle it manages. Investors in a pooled vehicle will not be able to direct the vote on any particular solicitation.

**Item 18: Financial Information**

Beacon Wealth Management does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure.

Beacon Wealth Management has discretion over some client accounts. There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

Item 1: Cover Sheet

## ADV PART 2B: MARK S. GERMAIN



505 MAIN STREET, SUITE 214 | HACKENSACK, NEW JERSEY 07601  
[www.beaconwealthmanagement.com](http://www.beaconwealthmanagement.com) | (201) 447-9500  
MARCH 31, 2017

**This Brochure Supplement provides information about Mark Germain that supplements the Beacon Wealth Management, LLC Brochure. You should have received a copy of that Brochure. Please contact Mark Germain at the number above if you did not receive Beacon Wealth Management, LLC's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Mark Germain is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Item 2: Educational Background and Business Experience

### Mark Steven Germain

Born: 1949

#### EDUCATION:

B.S. Economic/Accounting, Southern Connecticut State University  
MBA, Northeastern University

#### PROFESSIONAL DESIGNATIONS:

##### **Certified Financial Planner**

\*The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

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

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

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

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional*

*Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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

### **Accredited Domestic Partnership Advisor<sup>SM</sup>**

Individuals who hold the ADPA® designation have completed a course of study encompassing wealth transfers, federal taxation, retirement planning, and planning for financial and medical end-of-life needs for domestic partners. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements

### **BUSINESS EXPERIENCE:**

01/2004 – Present, Beacon Wealth Management, LLC, Managing Member

03/2006 – Present, Fairleigh Dickenson University, Adjunct Professor

07/2005 – 05/2010, Purshe Kaplan Sterling Investments, Registered Representative

05/2003 – 07/2005, Westminster Financial Securities, Inc., Registered Representative and Principal

11/2001 – 11/2003, Washington Square Securities, Registered Representative

### **Item 3: Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Germain.

### **Item 4: Other Business Activities**

Mr. Germain is separately licensed as an independent insurance agent. As such, Mr. Germain may conduct insurance product transactions for Beacon Wealth Management, LLC ("BWM") clients, in his capacity as a licensed insurance agent, and will receive customary commissions for these transactions in addition to any compensation received in his capacity as an employee of BWM. Commissions from the

sale of insurance products will not be used to offset or as a credit against advisory fees. Mr. Germain therefore has an incentive to recommend insurance products based on the compensation to be received, rather than on a client's needs. The receipt of additional fees for insurance commissions is therefore a conflict of interest, and clients should be aware of this conflict when considering whether to engage BWM or utilize Mr. Germain to implement any insurance recommendations. BWM attempts to mitigate this conflict of interest by disclosing the conflict to clients, and informing the clients that they are always free to purchase insurance products through other agents that are not affiliated with BWM, or to determine not to purchase the insurance product at all. BWM also attempts to mitigate the conflict of interest by requiring employees to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of BWM, which requires that employees put the interests of clients ahead of their own.

Mr. Germain is the manager and a member of 18 Squared GP, LLC ("General Partner"). The General Partner is the manager of 18 Squared Tactical Fund, LP ("Fund"), a pooled investment vehicle. Clients of BWM are solicited to invest in the Fund. Because Mr. Germain receives compensation through the General Partner, as an owner of the General Partner, when clients or other investors invest in the Fund, Mr. Germain has a conflict of interest when recommending the Fund. This conflict is disclosed to clients verbally and in this brochure. Fees paid to the General Partner through the Fund are not in any way offset against advisory fees the same clients may pay to BWM for the management of their accounts.

BWM attempts to mitigate this conflict of interest by disclosing the conflict to clients, advising clients that participation in the Fund is not required, and advising clients that they should review the Fund's offering documents carefully with their other professional advisors before investing in the Fund. BWM also attempts to mitigate the conflict of interest by requiring employees, including Mr. Germain, to acknowledge in the firm's Code of Ethics, their individual fiduciary duty to the clients of BWM, which requires that employees put the interests of clients ahead of their own

**Item 5: Additional Compensation**

See response to Item 4, above.

**Item 6: Supervision**

Mr. Germain is the President and principal owner of Beacon Wealth Management, LLC and therefore has no direct supervisor. All employees of Beacon Wealth Management, LLC are required to follow the supervisory guidelines and procedures manual which is designed to ensure compliance with securities laws in the states where Beacon Wealth Management, LLC is registered. The policies and procedures manual is designed to provide each employee with guidance as to his or her conduct as an employee of Beacon Wealth Management, LLC. Specific items addressed in the manual include the employee's fiduciary duty to clients, information about advisory agreements and fees, and a Code of Ethics. Beacon Wealth Management, LLC will perform an annual review of the procedures in the manual to ensure their adequacy and that the required guidelines are followed by all employees, including Mr. Germain.





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# Privacy Notice

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This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

## **INFORMATION WE COLLECT**

BEACON WEALTH MANAGEMENT, LLC must collect certain personally identifiable financial information about its clients to ensure that it offers the highest quality financial services and products. The personally identifiable financial information which we gather during the normal course of doing business with you may include:

1. information we receive from you on applications or other forms;
2. information about your transactions with us, our affiliates, or others;
3. information collected through an Internet "cookie" (an information collecting device from a web server); and
4. information we receive from a consumer reporting agency.

## **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as permitted by law. We do not disclose your personal information to any third party for the purpose of allowing that party to market other products to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

## **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.