

PWJohnson Wealth Management

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PWJohnson Wealth Management (PWJ) is a fee-only Investment Advisor registered with the SEC, as well as with other applicable states. We, PETER WILLIAM JOHNSON, JR. and ARTIE GREEN are the financial advisors for PWJohnson Wealth Management.

ADVISORY SERVICES

We provide investment and financial planning advice based on the individual needs of each client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations and preferences. Because we receive no commissions, we have no reason or motive to recommend one investment over another based on our own financial interests. Put another way, our compensation structure reduces conflicts of interest that could be detrimental to your financial welfare. Further, an important part of the process is our communication with you in the planning and implementation phases of our work. Finally, clients are under no obligation to act upon our recommendations.

With regard to investment advice, Peter Johnson and Artie Green provide assistance with asset allocation and with the specific selection and purchase of investment securities including stocks, bonds, and mutual fund shares. Hourly and flat fee clients receive reviews when specifically requested by the client. When making any investment recommendation, we carefully take into account the investment objectives, investment experience, financial wherewithal, and personal situation of each client. Our recommendations may include long-term purchases (held at least one year) and short-term purchases (held less than one year). We review managed accounts (Investment Supervisory Accounts) not less than quarterly to ensure proper handling and look for any irregularities. PWJohnson may, in providing services to client, utilize the services of other managers, which may or may not incur additional fees to Clients. Such managers may be considered "sub-advisers." Such arrangements will always be communicated, in advance, to Clients and will be based upon a written agreement between Clients and the sub-adviser.

The second major part of our practice is the creation and implementation of financial plans, helping clients identify strategies and reach their goals. Examples of financial planning include retirement planning, tax planning, estate planning and college funding.

This brochure is provided to every new investment advisory client free of charge. It discloses useful and important information regarding our services, fees, and other relevant data. You should read this brochure and the Investment Advisory Contract carefully before you invest or send money. Each year, we will offer in writing to deliver a new brochure to you. Should you respond affirmatively, we shall promptly do so free of charge.

Additional services may include:

- Online account statements on our secure Website
- Newsletters and other mailings concerning financial matters
- Educational audio shows available over the internet (podcast)
- Referrals to qualified professionals in related fields
- Client coffees and seminars

TYPES OF CLIENTS

We offer investment and financial planning advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

TYPES OF INVESTMENTS

We recommend and use a wide range of investment products that may include:

- **Mutual Funds**
- **Common and Preferred Stock** (including exchange-listed, over-the-counter, and foreign issues)
- **Bonds** (including Municipal, Corporate, Government, and other bond-related securities)
- **Variable Annuities**
- **Unit Investment Trusts**
- **Warrants**
- **Certificates of Deposit**
- **Options Contracts** on securities
- **Interests in partnerships** investing in real estate, oil and gas, equipment leasing, cable television, and venture capital programs

METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES

We use a variety of sophisticated tools and techniques in researching investment options and in constructing portfolios for our clients. At the same time, we believe that common sense and experience must also play a role in our process. In technical terms, we use fundamental and cyclical analysis, plus modern portfolio theory and asset allocation modeling techniques in developing portfolio recommendations. We are strong believers in using the best quality research available. Therefore, we subscribe to an extensive list of resources that includes financial publications, research materials, and corporate rating services. We also utilize company press releases, annual reports, prospectuses, and other filings with the Securities and Exchange Commission. We use computer software and reliable sources of information on the internet as an integral part of our daily research. These electronic tools and information sources provide mutual fund and stock research, market index activity, company price and fundamental information, filtered and unfiltered newsfeeds, investment product information, sophisticated calculators, third-party research and better access to traditional information providers. We do not use investor 'chat rooms' or information of uncertain origin, which can also be found on the internet.

CONDITIONS FOR MANAGING ACCOUNTS

Managed accounts must maintain a minimum dollar value of \$1,000,000. However, we retain the right to waive investment minimums for managed accounts at our sole discretion. For example, an exception may be made where it is expected that a client will be adding to a portfolio such that it will meet the minimum dollar value requirement at a later date.

COMPENSATION

In conducting our activities as an Investment Advisor, we derive compensation from the following types of services. Categories are shown with their estimated percentage of total advisory practice billings:

- Provide investment advice and supervisory services...60%
- Provide financial planning advice.....30%
- Furnish advice on matters not involving securities.....10%

FEE SCHEDULE

Managed Accounts

Portfolio Value	Annualized Fee as Percent of Incremental Portfolio Value *
First \$ 500,000.....	1.25% (Minimum \$1,562.50 Quarterly Fee)
Next.....500,000.....	1.00%
Next.....4,000,000.....	0.75%
Above.....5,000,000.....	0.50%

* *Portfolio value of managed assets only. (Non-managed assets, such as certain pre-existing or client-selected investments, limited partnership interests, unmarketable securities, etc., may be part of a client's investment portfolio, but may not be subject to management fees.)*

Here is an example of a portfolio that would include the entire the range of fee increments:

\$7.5 million total portfolio value

\$ 500,000 @.....	1.25%	=.....	\$ 6,250
500,000 @.....	1.00%	=.....	5,000
4,000,000 @.....	0.75%	=.....	30,000
2,500,000 @.....	0.50%	=.....	12,500
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Total: \$7,500,000 @.....	0.72%	=.....	\$53,750

Managed accounts receive a detailed statement each quarter, which explains precisely how the fee was calculated.

All fees for managed accounts are payable quarterly, in advance, based on a percentage of the market value of assets under management at the end of the previous quarter. Fees for the initial quarter of an advisory agreement are billed (A) based on the estimated dollar amount of assets to be placed under management and (B) in the event the contract date does not coincide with the beginning of a calendar quarter, fees are prorated to reflect the actual number of days during the quarter that the contract is in effect. If an account is terminated for any reason on a date other than the end of a calendar quarter, a pro-rata refund is made for the remainder of that quarter.

Payment may be made by check or if authorized in writing by the client, charged to client's account at Charles Schwab & Co., Inc. or TD Ameritrade.

Occasionally, in order to meet the needs of a particular client, PWJ may, at our discretion, propose fees other than the above.

Other Types of Accounts

From time to time, it may not be in the best interests of the client or PWJ to contract for a managed account. In these cases, advisory services and consultations may be provided at an hourly rate of \$295, billed as services are provided, or at a flat rate agreed upon in advance.

Hourly billing will be in increments of One-Quarter Hour with a minimum billing of One-quarter hour. Time between increments of One-Quarter hour will be billed at the next quarter-hour increment. For example, One Hour and 12 minutes would be billed at the One-hour 15 minute increment.

Flat rate fees are negotiated, and are dependent upon the scope and estimated number of hours for each project. Clients whose work is done under an hourly or flat fee arrangement receive statements upon completion of services, or at major milestones. As with managed accounts, PWJ may, in our sole discretion, propose a different hourly rate for certain clients.

DISCRETIONARY POWERS (LIMITED POWER OF ATTORNEY)

If authorized under the client's Investment Advisory Agreement, PWJ may manage the account on a discretionary basis. Trades are discussed and approved by the client prior to execution. For the convenience of the client PWJ will place the trade with the broker for the mutual funds or other securities. Copies of confirmations are forwarded to the client by the brokerage firm and the account activity will appear on the quarterly portfolio accounting statements we send to each managed account. Specific directives regarding the scope or limitations of discretionary powers can be included in an attachment to the Advisory Agreement.

In the case of accounts for which we do not have discretionary powers, PWJ must obtain specific prior consent from the client regarding any or all of the following:

- Securities to be bought or sold.
- The amount of securities to be bought or sold.
- The client is required to be on the phone conversation with the broker to place the trade.

Under no circumstances do we have authority to withdraw funds or securities from any client's account. We do not accept cash from a client for deposit to an account, nor do we hold securities for client accounts. Similarly, portfolio cash disbursements are sent directly to clients or to their bank accounts.

PWJ does not vote Client proxies. Therefore, although PWJ may provide investment advisory services relative to Client investment assets, Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. PWJ and/or the Client shall correspondingly instruct each custodian of the assets to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets.

ADDITIONAL COMPENSATION

We operate this investment advisory practice with the understanding and commitment that the needs of our clients come first. Therefore, we refrain from accepting cash or receiving any other economic benefit from outside parties. We occasionally may pay a fee for client referrals. We feel that this strictly enforced policy eliminates many potential conflicts of interest, and results in better service for our clients.

We do not earn commissions on any securities that we recommend or purchase for any client. Moreover, no employee or anyone else directly affiliated with PWJ may earn any of the above types of compensation, although they may hold securities licenses.

Peter and Artie do not hold any active life insurance, disability insurance or variable annuity licenses, and we are not affiliated with any insurance company. Consequently we do not earn or accept any commissions or fees for recommending any particular insurance product. Moreover, no employee or anyone else directly affiliated with PWJ may earn any of the above types of compensation, although they may hold insurance licenses.

Our clients are under no obligation to execute transactions through any particular brokerage firm, affiliate or associated person. PWJ may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab) or TD Ameritrade, a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. PWJ is independently owned and operated and not affiliated with Schwab or TD Ameritrade. Schwab and TD Ameritrade provides PWJ with access to its institutional trading and custody services, which are typically not available to their retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab or TD Ameritrade, and *are not otherwise contingent upon Advisor committing to any specific amount of business (assets in custody or trading)*. Schwab's and TD Ameritrades's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For PWJ's client accounts maintained in its custody, Schwab and TD Ameritrade generally do not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are

executed through Schwab or TD Ameritrade or that settle into Schwab or TD Ameritrade accounts.

Schwab and TD Ameritrade also makes available to PWJ other products and services that benefit PWJ but may not benefit its clients' accounts. Some of these other products and services assist PWJ in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of PWJ's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of PWJ's accounts, including accounts not maintained at Schwab or TD Ameritrade. Schwab and TD Ameritrade also makes available to PWJ other services intended to help PWJ manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab and TD Ameritrade may make available, arrange and/or pay for these types of services rendered to PWJ by independent third parties. Schwab and TD Ameritrade may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to PWJ]. As a fiduciary, PWJ endeavors to act in its clients' best interests, and PWJ's recommendation that clients maintain their assets in accounts at Schwab or TD Ameritrade may be based in part on the benefit to PWJ of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab or TD Ameritrade, which may create a potential conflict of interest.

NOTICE

Clients will receive reports from both the custodian of Clients' securities and from us. We urge Clients to compare both statements to insure accurate reporting. There may be variances between the reports because of the timing in posting of dividends or interest. In addition, certain assets may be managed by us but the assets may be held by the broker and/or custodian for retirement plans (e.g. 401(k), etc.); or employer securities (e.g. stock options). We request that Clients contact us in the event that Clients see any discrepancies or have any questions.

TRADE ERRORS

From time-to-time, we may make an error in submitting a trade order on your behalf. When this occurs, we may place a correcting trade with the broker-dealer which has custody of your account. If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and you decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. Inc. ("Schwab") is the custodian, Schwab will donate the amount of any gain \$100 and over to charity. If a loss occurs greater than \$100, we will pay for the loss. Schwab will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

EDUCATION AND BUSINESS BACKGROUND

Peter Johnson has been in the securities industry since April of 1980, and is owner and sole proprietor of PWJ since May 16, 1990. From 1980 to 1985, he was employed with Capital Preservation Fund (which later became part of American Century Group). From 1986 to 1990, Peter was a Registered Representative with various financial companies. In 1979, Peter received a Bachelor's Degree in Business Administration, Finance, from the University of Santa Clara, and was awarded the Wall Street Journal Medal for the highest Grade Point Average in Finance. In 1986, he earned the professional designation of Personal Financial Planner (PFP) from the University of California.

Peter currently serves on the Ethics Board of the Financial Planning Association (FPA). As past President of the Silicon Valley Chapter of the FPA, Peter has worked diligently to educate others in the industry on how to efficiently and effectively manage clients, wealth, and build successful planning businesses. Peter has also been recognized through the media. His expertise in both financial planning and technology has led him to prominence as a financial industry writer and speaker. Peter has been a regular contributor to industry magazines such as the Journal of Financial Planning, Financial Advisory Practice and The Journal of Practical Estate Planning. He has been quoted in leading consumer publications such as the Silicon Valley Business Journal and Black Enterprise, and has spoken at national, regional and local financial industry conferences and events all over the United States.

Artie Green is a Financial Planner and an Investment Advisor Representative with PWJohnson Wealth Management. He joined PWJohnson Wealth Management in May 2007 after a long career in the high technology industry. Previous positions included Director of Business Planning and Strategy in Hewlett-Packard's Enterprise Systems Group and Business Development Manager in HP's Financial Services Business Unit. He holds an SEC Series 65 license for registered investment advisors. He earned a Bachelor of Science Degree in Mathematics/Computer Science from Carnegie-Mellon University, a Masters Degree in Business Administration from the University of Delaware, and has additionally completed the University of California Santa Cruz Certificate Program in Personal Financial Planning. He is currently a candidate for CERTIFIED FINANCIAL PLANNER™ certification.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

PWJ's business is comprised of conducting financial planning activities on behalf of clients. However, We do own and maintain two Internet web sites, and one book publishing business. These sites are closely related to, and enhance, our investment advisory practice and services. Our publishing efforts involve publishing books on financial planning and related topics. Peter also writes and speaks on topics concerning technology as they apply to the Financial Services industry.

The first Website, Pro Money Talk (www.promoneytalk.com), serves as an online community and conduit for the flow of information between investment professionals and the investor community. This Website uses pod-cast technology to distribute interviews with leaders in the financial industry for the education of the listener.

The second Website, PWJohnson.com (www.pwjohanson.com) serves as a client tool that provides a secure way for clients to review their portfolio statements. It is also a low cost marketing tool to promote our financial planning business.

Our publishing business, Advisor Press (www.advisorpress.com) assists financial planning authors in getting their works published. This site has an on-line bookstore that sells finance and investment related books.

Peter normally spends about 20% of his regular working hours involved in Internet, Website, and Publishing related activities. Speaking and writing are usually done during non-business hours, although travel to conferences may take place during workdays.

Following is a breakdown of time spent in each business activity:

<u>Business Activity</u>	<u>Time Spent</u>
Provide investment advice	60%
Financial planning	20%
Publishing and Internet	20%

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

On occasion, we may recommend to clients that they buy or sell securities or investment products in which we have some direct or indirect financial interest. In these cases, such financial interests shall be completely disclosed to you. If we purchase or sell for our own account securities that we also buy or sell for clients, our order(s) will be the last trade of the day.

CODE OF ETHICS

PWJ has adopted a Code of Ethics to prevent violations of federal securities laws. PWJ expects all employees to act with honesty, integrity and professionalism and to adhere to federal securities laws. All employees and any other person who provides advice on behalf of PWJ and is subject to PWJ's control and supervision (collectively referred to as "Supervised Persons") are required to adhere to the Code of Ethics. A copy of the Code of Ethics is available upon request.

REVIEW OF ACCOUNTS

Every Investment Advisory Managed Account is reviewed and analyzed on a regular and frequent basis for portfolio performance and asset allocation. Recommendations may be made as to making any changes necessary to the portfolio. The account is also reviewed to ensure proper handling of all transactions. In addition, each client's brokerage account statement is reviewed every quarter to detect possible irregularities in, among other things, price, activity, suitability, and commissions or fees charged. The review process consists of ongoing, frequent, and regular comparing of order tickets and confirmations, customer statements, new account forms, investment advisory agreements, options agreements, correspondence, advertising, and complaints. This extensive review and monitoring process helps to ensure that every client receives the highest quality service possible.

Every new account form, investment advisory contract and agreement is carefully prepared and reviewed for completeness, accuracy, suitability of investment goals, and proper disclosures to clients. In addition, all advertising, correspondence and complaints are carefully reviewed to make sure that no misleading, exaggerated or inaccurate claims are made, that clients are fairly treated and their complaints satisfactorily resolved.

Client information is always held in the strictest confidence and will not be divulged to anyone outside of the PWJ practice without the client's specific consent.

PWJ has adopted a contingency recovery plan in the event that its offices are unavailable for the conduct of business.

We invite you to call or write whenever you have questions concerning services, fees, or any other matter regarding your account with PWJ. We will do our best to promptly respond and to answer your questions to your satisfaction. Above all, we are committed to providing the best possible service to you.

This material is neither an offer to sell, nor a solicitation to buy, any security or investment service. While we do our best to provide quality research and recommendations, we do not predict nor guarantee your investment results.