

## Firm Brochure

(Part 2A of Form ADV)



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**August 22, 2019**

### Item 1 – Cover Page

This Brochure provides information about the qualifications and business practices of Dorman Skorheim Wealth Management, LLC (Adviser). If you have any questions about the contents of this Brochure, please contact us at (949) 831-3899 or by email at [jeff@dormanskorheim.com](mailto:jeff@dormanskorheim.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.

Dorman Skorheim Wealth Management, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about Dorman Skorheim Wealth Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Under federal and state law, a Registered Investment Adviser is a fiduciary and must make full disclosure to its clients of all material facts relating to the advisory relationship. As a fiduciary, we also must seek to avoid conflicts of interest with our clients, and, at a minimum, make full disclosure of all material conflicts of interest between us and our clients that could affect the advisory relationship. This obligation requires that we provide our clients with sufficiently specific facts so that the client is able to understand the conflicts of interest we have and the business practices in which we engage and can give informed consent to such conflicts and practices or reject them.

## Item 2 – Material Changes

The following are material changes since the filing of our last annual amendment of this brochure on February 18, 2019.

### Item 4 – Advisory Business

Reference to consultation of retirement (ERISA) plans has been removed.

The dollar amount of assets managed by DSWM has been updated.

### Item 5 – Fees and Compensation

The reference to hourly fees being charged for financial planning services has been removed.

The reference to advisory service fees for retirement plans has been removed.

### Item 10 – Other Financial Industry Activities and Affiliations

The outside business activities of James and Jim Skorheim have been disclosed pertaining to their affiliation with an accounting firm.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year.

Additionally, we will promptly inform you of any material changes to the information in this Brochure that could affect the advisory relationship.

Our new Brochure may be requested free of charge, anytime, by contacting Jeff Dorman at (949) 831-3899 or sending an e-mail to [jeff@dormanskorheim.com](mailto:jeff@dormanskorheim.com).

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## Item 4 – Advisory Business

### 4a: Firm Description

Jeffrey J. Dorman, CFP® became registered as an Investment Adviser as a sole practitioner on March 6, 2001. In June 2013, Mr. Dorman formed Dorman Wealth Management, LLC, located in Laguna Niguel, California. In August 2014 two new members were added and the firm changed its name to Dorman Skorheim Wealth Management, LLC. Jeffrey J. Dorman, James M. Skorheim, and James M. Skorheim, Jr., are the members of Dorman Skorheim Wealth Management, LLC.

#### 4a1: Principal Member(s)

Jeffrey J. Dorman, CFP®: Jeff may be contacted by email at [jeff@dormanskorheim.com](mailto:jeff@dormanskorheim.com) or by telephone at (949) 831-3899.

James M. Skorheim, JD, CPA, CVA, CGMA: Jim may be contacted by email at [jim@dormanskorheim.com](mailto:jim@dormanskorheim.com) or by telephone at (949) 831-3899.

James M. Skorheim, Jr., CPA, CVA, CGMA: James may be contacted by email at [james@dormanskorheim.com](mailto:james@dormanskorheim.com) or by telephone at (949) 831-3899.

### 4b: Types of Advisory Services

Dorman Skorheim Wealth Management, LLC provides investment advisory services consisting primarily of managing investment accounts (portfolio management services) for its clients and Pension Consulting. We design each portfolio based on the client's individual needs and risk preferences, using the time-proven principles of money management and Modern Portfolio Theory. Our objective is to deliver value by combining our 60+ years of investment, finance, and accounting experience, with lower cost investments to produce portfolios which maximize return and minimize risk. For more on our investment philosophies, and the risks of our strategies and/or specific investments recommended, please refer to Item 8.

We manage accounts pursuant to an Investment Management Agreement executed with each client. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

The account of each client is held by a financial institution as custodian of the account (the "custodian").

In addition to portfolio management services, we may provide financial planning consultation. Financial planning consultation may include income and estate tax planning, establishment and design of retirement plans, capital needs analysis (goal funding), or education funding, among other things.

Dorman Skorheim Wealth Management, LLC (DSWM) is strictly a fee-only registered investment advisory firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The only source of income to DSWM are portfolio management fees.

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

#### 4c: Client Tailored Relationships and Restrictions

Dorman Skorheim Wealth Management, LLC tailors advisory services to the individual needs of each client. These services include consultation and evaluation of client's investment objectives, and the development and maintenance of an asset allocation strategy designed to meet client's risk/return parameters. Each client's portfolio is customized based on the client's investment objectives. Factors taken into consideration include investment time horizon, liquidity needs, tax situation, and current and future income needs. Clients may make requests or suggestions regarding the investments made in their portfolio. In addition, the client may impose restrictions on investing in certain securities or types of securities.

#### 4d: Wrap Fee Program

The adviser does not sponsor a wrap fee program.

#### 4e: Assets under Management (AUM)

As of August 20, 2019, Dorman Skorheim Wealth Management, LLC had \$32,148,805 in discretionary assets under management and no (\$0) non-discretionary assets under management.

### Item 5 – Fees and Compensation

Annual advisory fees are based on the greater of \$1,000 or the fee calculated based on a percentage of assets in the account according to the following schedule:

|              |              |       |
|--------------|--------------|-------|
| On the first | \$500,000    | 0.90% |
| On the next  | \$500,000    | 0.80% |
| On the next  | \$1,000,000  | 0.70% |
| On the next  | \$2,000,000  | 0.60% |
| On the next  | \$2,000,000  | 0.50% |
| On the next  | \$4,000,000  | 0.40% |
| In excess of | \$10,000,000 | 0.30% |

All managed accounts of the client will be aggregated for the purposes of applying this fee schedule. Fees are deducted from client accounts quarterly in advance of services and are due on the first day of each calendar quarter. Amount of fees will be based on the market value of the account on the last day of the previous quarter. New

accounts will be determined as of the date the account is opened and prorated through the end of the quarter. Additions to the account in excess of \$10,000 shall be assessed the fee on a prorated basis for the remaining portion of the quarter. Withdrawals from the account in excess of \$10,000 shall be credited the unearned fee on a prorated basis for the remaining portion of the quarter.

In certain circumstances, fees may be negotiable. In addition, the adviser may waive or reduce the advisory fee at its discretion.

Investment advisory fees are separate and distinct from the fees and expenses charged by mutual funds and/or exchange traded funds. Mutual funds and exchange traded funds charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to adviser's fee, and adviser shall not receive any portion of these commissions, fees, or costs.

In addition, fees paid to adviser are exclusive of any fees paid to the account custodian. Custodial fees generally include trading fees, but could also include overnight mailing fees, wire transfer or electronic fund fees, and other possible fees and taxes. Client is encouraged to obtain a copy of their custodian's current fee schedule.

The client should review all fees charged by adviser, mutual funds, and others to fully understand the total amount of fees to be paid by the client.

While the firm endeavors at all times to offer clients its specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by Dorman Skorheim Wealth Management, LLC.

Item 12 further describes the factors that adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Adviser does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Adviser provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, and trusts.

Advisor requires a minimum of \$100,000 in assets under management for advisory clients; provided, however, that this minimum may be waived at the discretion of the Advisor.

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

Dorman Skorheim Wealth Management, LLC's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. Our investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. Dorman Skorheim Wealth Management, LLC (DSWM) recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds to implement this strategy. The mutual funds and ETFs utilized by DSWM may include funds invested in domestic and international equities, including real estate investment trusts (REITs), and corporate and government fixed income securities. Equity securities may include large, medium and small capitalization stocks.

Clients may hold or retain other types of assets as well, and adviser may offer advice regarding those various assets as part of its services.

Dorman Skorheim Wealth Management, LLC receives supporting research from economists affiliated with Dimensional Fund Advisors (DFA). Dorman Skorheim Wealth Management, LLC utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to Adviser.

### **Risk of Loss**

#### **Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments involve risk, and investing in the capital markets will usually involve periods of time with severe market downturns. However, economic research has shown that it is improbable to predict when markets go up and when markets go down (market timing). Therefore, our investment philosophy is designed for investors who desire a buy and hold strategy.

Investing in securities presents the risk of loss of principal – the risk that the securities (mutual funds, ETFs and individual stocks and bonds), when sold or otherwise disposed of, may be worth less than the price paid for them. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

Dorman Skorheim Wealth Management, LLC's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

Mutual funds and ETF shares invested in securities are subject to the same economic risks associated with the underlying securities.

Among the riskiest mutual funds used in DSWM's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, and emerging markets funds.

Certain funds utilized by DSWM may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and increased price volatility. These risks may be greater with investments in developing countries.

Fixed income securities usually have lower risk of loss of principal, but the price of bonds are inversely proportional to interest rates, and most bonds present the risk of loss of purchasing power through lower expected return. These risks are greatest for longer-term bonds.

More information about the risks associated with any particular asset class or market sector can be reviewed in the respective mutual fund prospectuses representing that asset class or market sector.

## Item 9 – 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 adviser or the integrity of adviser’s management. Adviser has no information applicable to this Item.

## Item 10 – Other Financial Industry Activities and Affiliations

Jim Skorheim and James Skorheim are shareholders of Skorheim & Associates, AAC. Skorheim & Associates, AAC is a Public Accounting firm that offers tax, business consulting and forensic accounting services.

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

Dorman Skorheim Wealth Management has adopted a code of ethics that includes:

- Guidelines for Professional Standards
- Personal Trading Policies
- Political Contribution Policies
- Insider Trading Policies

A full copy of our firm-adopted code of ethics is available upon request.

In addition, Jeffrey J. Dorman holds the Certified Financial Planner™ designation (“CFP®”). The Certified Financial Planner Board of Standards Inc. (CFP Board) has adopted its own *Code of Ethics and Professional Responsibility (Code of Ethics)* to provide principles and rules to all persons whom it has recognized and certified to use the certification marks. The CFP Board determines who is certified and thus authorized to use the marks. Implicit in the acceptance of this authorization is an obligation not only to comply with the mandates and requirements of all applicable law and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities.



The CFP® *Code of Ethics*' Principles express the profession's recognition of its responsibilities to the public, to clients, to colleagues and to employers. They apply to all CFP Board designees and provide guidance to them in the performance of professional services. These Principles are summarized as follows:

- Integrity
- Objectivity
- Competence
- Fairness
- Confidentiality
- Professionalism
- Diligence

The CFP Board has also established rules which relate to each principle. The Adviser will provide a copy of the full text of this Code of Ethics to any client upon request.

James M. Skorheim and James M. Skorheim, Jr., are both Certified Public Accountants (CPA), and are bound by the professional and ethical standards promulgated by the California Board of Accountancy and the American Institute of Certified Public Accountants (AICPA).

James M. Skorheim and James M. Skorheim, Jr., are both Certified Valuation Analysts (CVA), and are bound by the professional and ethical standards promulgated by the National Association of Certified Valuators and Analysts (NACVA).

James M. Skorheim and James M. Skorheim, Jr., are both Chartered Global Management Accountants (CGMA), and are bound by the professional and ethical standards promulgated by the American Institute of Certified Public Accountants (AICPA).

James M. Skorheim is an Attorney at Law, and is bound by the professional and ethical standards promulgated by the California State Bar.

Adviser, or individuals associated with adviser, may buy and sell some of the same securities for its own account that adviser buys and sells for its clients or non-clients. In all instances, where appropriate the adviser will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for its own account and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of its advisory accounts prior to permitting the selling of the securities from its accounts. In some cases adviser may buy or sell securities for its own account for reasons not related to the strategies adopted by the adviser's clients.

## **Item 12 – Brokerage Practices**

The custodian for all of the accounts also serves as the broker for transactions in the accounts. In that capacity, the custodian was selected by the adviser based on its ability to execute, clear, settle and report transactions efficiently and accurately, deliver satisfactory monthly and annual statements, and provide competitive trading and custodial services to clients.

The adviser does not have discretion over the commission rates of the broker in an advisory account, nor does the adviser receive any compensation from the broker or custodian.

### **Research and other Soft Dollar Benefits**

We currently use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC/NFA, as custodian. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. DSWM receives some benefits from TD Ameritrade through its participation in the institutional program that are typically not available to TD Ameritrade's retail clients. These benefits include the following products and services (provided without cost or at a discount): electronic download of prices, transactions, and positions; electronic download of client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser; 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 TD Ameritrade by third party vendors. Some of the products and services made available by TD Ameritrade through the program may benefit our firm and/or associated persons but may not benefit you or your accounts. These products or services may assist our firm in managing and administering client accounts. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits we receive through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, DSWM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by DSWM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence adviser's choice of TD Ameritrade for custody and brokerage services.

The products and services we receive from the custodians will generally be used in servicing all of our clients' accounts. Our use of these products and services will not be limited to the accounts that paid commissions to the broker-dealer for such products and services.

In addition, our firm most commonly recommends the mutual funds developed by Dimensional Fund Advisors (DFA). While we do not receive compensation for this recommendation, nor do we receive commissions on the sale of the mutual funds, DFA provides us with access to a software program that enables us to generate risk and return data relative to their indexes and funds. This program assists us in providing data to clients and potential clients. DFA also provides an ongoing education program through webinars on advanced topics, educational conferences that provide analytics and current research data, and a proprietary website of articles, research, and analytical tools.

Dorman Skorheim Wealth Management, LLC (DSWM) generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which DSWM arranges transactions.

## **Item 13 – Review of Accounts**

Jeffrey Dorman, James Skorheim, and/or James Skorheim, Jr., managing members of Dorman Skorheim Wealth Management, LLC, will monitor the performance of the client's portfolio on at least a quarterly basis. Accounts are reviewed for consistency with the investment strategy and performance. Adviser will recommend changes to the overall asset allocation strategy, money manager selection, or individual securities when deemed in the client's best interest.

More frequent reviews are triggered by a change in the client's investment objectives, personal, tax or financial status.

Changes to the models used to construct client portfolios, as well as macroeconomic or company specific events may also trigger reviews.

The client will receive monthly statements from their custodian, as well as trade confirmations. The statement will show total portfolio value, the securities holdings, activity in the account, quarterly management fees charged by the Adviser, and any account fees charged by the custodian, including account administration fees, asset holding fees, transaction fees, and service fees.

In addition to the monthly account statements that clients receive from their custodian, we provide written quarterly reports consolidating performance, asset allocation, balances and holdings.

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

### **14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Dimensional Fund Advisors (DFA), through a web-based service, provides referrals of investor clients to adviser. DFA makes such referrals to many investment advisers based on the geographic locations of the prospective clients. DFA does not provide help to adviser in recruiting investor clients in any other way and does not receive compensation from adviser for referrals.

### **14b: Compensation to Non-Advisory Personnel for Client Referrals**

Adviser does not directly or indirectly compensate any person for client referrals.

## **Item 15 – Custody**

Adviser does not take physical custody of client funds or securities.

In our Investment Management Agreement, Client authorizes Adviser's quarterly fee deduction from the client's account(s). Adviser has adopted the following safeguards in order to avoid having custody of our clients' funds with respect to deducting fees from client accounts:

1. Clients' accounts are held by a qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution).
2. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of Adviser's fee.
3. Each billing period, we send clients a statement showing the amount of the fee, the value of the client's assets that the fee was based on, and how we calculated the fee.
4. We send only the amount of our fee to the custodian.
5. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

## **Item 16 – Investment Discretion**

We are normally granted discretionary authority by you to manage your accounts. This authority is outlined in our Investment Management Agreement and is executed through a limited power of attorney contained in the account establishment form provided by your custodian. Both of these documents must be reviewed and signed by you at the time of our investment advisory engagement. This discretionary authority allows us to manage your account and execute trades according to the guidelines provided in your Investment Policy Statement or stated investment model portfolio without obtaining your prior consent for each transaction.

This discretionary authority is limited in that we only have discretionary trading authority. This authority allows us to determine the type of securities and amount of securities for each transaction. We do not have access to your funds and/or securities with the exception of having periodic advisory fees deducted from your account and paid to us by the account custodian. Any fee deduction is done pursuant to your prior written authorization provided to the account custodian.

In all cases, such discretion is exercised in a manner consistent with the stated investment objectives, investment policies, and any limitations or restrictions of the client.

We seek to undertake a minimal amount of trading in your account, in order to keep transaction fees, other expenses, and tax consequences associated with trading to minimal levels.

Clients will receive confirmations directly from the custodian for any trades placed.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, adviser does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Adviser may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about adviser's financial condition. Dorman Skorheim Wealth Management, LLC (DSWM) does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. DSWM does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.

## Item 1 – Cover Page

# Brochure Supplement Jeffrey J. Dorman



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**February 18, 2019**

This brochure supplement provides information about Jeffrey J. Dorman that supplements the Dorman Skorheim Wealth Management, LLC brochure, which is attached hereto. Please contact Jeff Dorman if you have any questions about the contents of this supplement.

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

## Item 2 – Educational Background and Business Experience

### JEFFREY J. DORMAN

Mr. Dorman was born in 1952.

#### Business Background:

|                  |  |
|------------------|--|
| 8/89 - 3/1999    | Registered Principal with Titan Value Equities Group, Inc., a securities broker-dealer.                  |
| 12/93 - 3/2001   | Investment Adviser Representative with Titan Value Equities Group, LLC, a Registered Investment Adviser. |
| 3/99 - 9/2003    | Registered Principal with Mutual Service Corporation, a securities broker-dealer.                        |
| 3/2001 – 3/2014  | Jeffrey J. Dorman, Registered Investment Adviser with State of California.                               |
| 10/2013 – 8/2014 | Investment Adviser Representative with Dorman Wealth Management, LLC.                                    |
| 8/2014 – Present | Investment Adviser Representative with Dorman Skorheim Wealth Management, LLC.                           |

#### Formal Education After High School:

Fullerton College, Fullerton, CA 1971-1973.

University of California at Irvine, CA 1973-1974.

College for Financial Planning, Denver, CO, CFP® Designation, 1987-1989.

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 70,000 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.

### **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment adviser representative providing investment advice to you. Mr. Dorman has no information of this type to report.

### **Item 4 – Other Business Activities**

Mr. Dorman is not involved in any other business activities other than his investment advisory practice.



## **Item 5 – Additional Compensation**

Mr. Dorman does not receive any economic benefit from any non-client for providing advisory services.

## **Item 6 – Supervision**

Jeffrey J. Dorman, CFP® is the Chief Compliance Officer of Dorman Skorheim Wealth Management, LLC. He is responsible for developing, overseeing and enforcing the firm's compliance programs that have been established to monitor and supervise the activities and the services provided by the firm. He can be reached at (949) 831-3899.

## **Item 7 – Requirements for State Registered Advisers**

Investment adviser representatives who are registered with a state regulatory agency rather than the SEC are required to provide additional information about a wider range of disciplinary and financial events in addition to the disclosures made in Item 3 of Part 2B above.

Jeff Dorman has no events to report with respect to this Item.

## Item 1 – Cover Page

### Brochure Supplement

James M. Skorheim



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**February 18, 2019**

This brochure supplement provides information about James M. Skorheim that supplements the Dorman Skorheim Wealth Management, LLC brochure, which is attached hereto. Please contact Jim Skorheim if you have any questions about the contents of this supplement.

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

## Item 2 – Educational Background and Business Experience

### JAMES M. SKORHEIM

Mr. Skorheim was born in 1951.

#### Business Background:

|                   |   |
|-------------------|---|
| 1980 - 1987       | Partner, Coleman & Grant, Certified Public Accountants and Business Advisors.     |
| 1987 - 1991       | Partner, Deloitte & Touche, Certified Public Accountants and Business Advisors.   |
| 1991 - 1999       | Owner, Skorheim & Associates, Certified Public Accountants and Business Advisors. |
| 1995 – 1999       | Owner, James M. Skorheim, Attorney at Law.  |
| 2000 - 2006       | Partner, Moss Adams, Certified Public Accountants and Business Advisors.          |
| 2006 – Present    | Owner, Skorheim & Associates, Certified Public Accountants and Business Advisors. |
| 08/2014 – Present | Investment Adviser Representative with Dorman Skorheim Wealth Management, LLC.    |

#### Formal Education After High School:

Mt. San Antonio Junior College, Walnut, CA 1974-1976. Earned Associate of Arts Degree (AA) in Accounting.

California State University, Fullerton, CA 1976-1977. Pursued business subjects.

Western State University, College of Law, 1977-1980. Earned Bachelor of Science in Law (BSL) and Juris Doctorate (JD) degrees.

#### Attorney at Law, Juris Doctorate (JD)

James M. Skorheim holds a Juris Doctorate (JD) and is licensed to practice law in the State of California. To practice law in the state of California the following requirements must be met:

- PRE-LEGAL EDUCATION

A minimum of two years of approved college work or its equivalent by passage of designated examinations, College Level Examination Program (CLEP), administered by the College Board.

- REGISTRATION

Students must register with the Committee of Bar Examiners (CBE). In addition, registration is mandatory for attorneys from other jurisdictions who wish to apply to practice in California. The registration application should be filed online before a moral character application or an examination application is filed.

- LEGAL EDUCATION

J. D. degree from a law school accredited by the State Bar of California or approved by the ABA;  
Four years of study at a fixed-facility law school registered with the Committee;  
Four years of study, with a minimum of 864 hours of preparation and study per year, at an unaccredited distance-learning or correspondence law school registered with the Committee;  
Four years of study in the law office/judge's chambers study program; or  
A combination of these methods.

- MORAL CHARACTER

Applicants must undergo a background check and receive a positive moral character determination. Moral character determination applications may be submitted during the first year of law study, and should be submitted no later than the beginning of the last year of law study.

- EXAMINATIONS

Applicants must pass several examinations. The requirements are:  
Passage or exemption from the First-Year Law Students' Examination;  
Passage of the Multistate Professional Responsibility Examination (MPRE) administered by the National Conference of Bar Examiners; and  
Passage of the California Bar Examination.

In addition to fulfilling the requirements for licensure, one must meet the Minimum Continuing Legal Education (MCLE), which refers to the approved continuing legal education required of California attorneys.

Attorneys are required to complete a total of 25 hours of approved credit every three years. To ensure that lawyers receive quality legal education, the State Bar approves MCLE providers and education activities.

### **Certified Public Accountant (CPA)**

James M. Skorheim is a Certified Public Accountant (CPA). The CPA license is issued by the state and the requirements to obtain the CPA license differ slightly from state to state. To become a CPA one must fulfill the following requirements in the State of California:

- A bachelor's degree;
- 24 semester units in accounting-related subjects

- 24 semester units in business-related subjects
- Passing the Uniform CPA Exam, a four-part exam
- Passing the Professional Ethics Exam for CPAs
- Two years of general accounting experience supervised by a CPA with an active license.

In addition to fulfilling the initial licensing requirements, a CPA must complete the following requirements to renew that license every two years:

- Licensees are required to report peer review information at the time of license renewal, regardless if renewing in an active or inactive status.
- Licensees renewing in an active license status who either have not been previously fingerprinted, or for whom no electronic fingerprint records exist in the Department of Justice's criminal offender record identification database, are required to undergo the fingerprint process as a condition of license renewal. Licensees who are actively serving in the United States military are exempt from this requirement.
- Licensees subject to completing the Government Auditing and Accounting & Auditing (A&A) continuing education (CE) requirement must complete four hours of CE in the prevention, detection, and/or reporting of fraud affecting financial statements.
- Licensees must renew their CPA license every two years and complete 80 hours of CE. In addition, periodic CE in ethics and CPA professional standards and rules are required.
- If new licensees or licensees that recently converted to an active license status allow the license to expire and go delinquent, they are required to complete an additional 20 hours of CE for each full six-month period from the date of license expiration through the date they apply for license renewal, up to the maximum of 80 hours of CE. If less than six full months have passed between the date that the license expired and the date they apply for license renewal, no additional CE is required.

Furthermore, Certified Public Accountants must adhere to the following applicable Standards:

- **Audit and Attest Standards**  
Audit and attest standards for conducting, planning and reporting on audit and attestation engagements of nonissuers, including clarified Statements on Auditing Standards (SASs); Statements on Standards for Attestation Engagements (SSAEs); and Statements on Quality Control Standards (SQCSs), as well as archived pre-clarity SASs.
- **Code of Professional Conduct**  
The guidance and rules for all AICPA members, for example those in public practice, industry, government and education, to follow in regard to the performance of their professional responsibilities.
- **Compilation and Review Standards**  
Define standards for performing and reporting on compilation and review engagements of a nonpublic entity.

- **Consulting Services Standards**  
Standards for members who provide their clients with a range of consulting services surrounding technological and industry expertise and management and financial skills.
- **Continuing Professional Education (CPE) Programs Standards**  
The AICPA and the National Association of State Boards of Accountancy (NASBA) jointly issue standards for CPE development. **Peer Review Standards**  
Standards for Performing and Reporting on Peer Reviews and Interpretations for administering, planning, performing, reporting on and the acceptance of peer reviews of CPA firms (and individual CPA's) enrolled in the AICPA Peer Review Program.
- **Personal Financial Planning Standards**  
Statement on Standards in Personal Financial Planning (PFP) Services establishes CPA responsibilities for providing PFP services, including estate, retirement, investments, risk management/insurance, and tax planning and serve as authoritative guidance to assist CPAs in the delivery of these services.
- **Tax Standards**  
AICPA's Statements on Standards for Tax Services (SSTs) are enforceable tax practice standards for members of the AICPA. These standards apply to all members regardless of the jurisdictions in which they practice and the types of taxes with respect to which they are providing services.
- **Valuation Services Standards**  
The valuation services standards, written by the AICPA Consulting Services Executive Committee, to improve the consistency and quality of practice among AICPA members performing business valuation services.

### **Certified Valuation Analyst (CVA)**

James M. Skorheim is a Certified Valuation Analyst (CVA). To become a CVA one must fulfill the following requirements of the National Association of Certified Valuators and Analysts (NACVA):

For CPAs:

1. Hold an active, valid, and unrevoked CPA license issued by a legally constituted state authority (the Chartered Accountant [CA] designation issued in Canada is equivalent to the CPA in the U.S.);

For All Applicants:

2. Be a Practitioner member in good standing with NACVA;
3. Successfully demonstrate that applicant meets NACVA's "Experience Threshold" by completing a sample Case Study or submitting an actual and sanitized Fair Market Value (FMV) report (FMV as defined by Revenue Ruling 59-60) prepared in the last 12 months for peer review;
4. Attend an optional five-day training program;
5. Submit three personal and three business references; and
6. Pass a comprehensive, five-hour, multiple-choice, proctored examination.

A CVA must also complete over 50 hours of continuing professional education every 3 years in order to renew the CVA certification.

Furthermore, CVAs must adhere to NACVA's Professional Standards, which include the areas of:

- General and Ethical Standards
- Scope of Services
- Development Standards
- Reporting Standards

### **Chartered Global Management Accountant (CGMA)**

James M. Skorheim is a Chartered Global Management Accountant (CGMA). To obtain the CGMA credential, one must fulfill the following requirements:

- AICPA voting members have passed the Uniform CPA Examination, met the UAA educational requirements, and met experience requirements needed to become a CPA
- Three years of financial (including internal audit) or management accounting experience in business, industry or government or
- Two years of financial or management accounting experience, plus one year in public accounting or
- Three years of financial/management accounting experience on a consulting basis or
- Three years in a management accounting role focused on the management and operation of an accounting firm or
- Awarded a research-based doctorate degree in accounting or related business field\* at an accredited academic institution, and has taught at least four college semester or quarterly classes in accounting or related business field\* at an accredited academic institution

\*Related business fields include economics, finance, information systems or other disciplines associated with the strategic management and operations of a business.

### **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment adviser representative providing investment advice to you. Mr. Skorheim has no information of this type to report.

#### **Item 4 – Other Business Activities**

James M. Skorheim operates Skorheim & Associates, AAC, where he and his staff provide accounting, tax, financial planning, business valuation, securities analysis, business counsel, forensic accounting and expert testimony services. Mr. Skorheim dedicates approximately 75% of his professional time to these activities and 25% of his time to his investment advisory practice.

#### **Item 5 – Additional Compensation**

Mr. Skorheim does not receive any economic benefit from any non-client for providing investment advisory services.

#### **Item 6 – Supervision**

James M. Skorheim is supervised by Jeffrey J. Dorman, CFP.

#### **Item 7 – Requirements for State Registered Advisers**

Investment adviser representatives who are registered with a state regulatory agency rather than the SEC are required to provide additional information about a wider range of disciplinary and financial events in addition to the disclosures made in Item 3 of Part 2B above.

James M. Skorheim has no events to report with respect to this Item.



## Item 1 – Cover Page

### Brochure Supplement

James M. Skorheim, Jr.



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## Item 2 – Educational Background and Business Experience

### **JAMES M. SKORHEIM, JR.**

Mr. Skorheim was born in 1980.

#### **Business Background:**

2006 - 2010                Staff Accountant at Skorheim & Associates, AAC.

2010 - Present            Chief Financial Officer and Professional Accountant at Skorheim & Associates, AAC.

8/2014 – Present        Investment Adviser Representative with Dorman Skorheim Wealth Management, LLC.

#### **Formal Education After High School:**

Saddleback Community College, CA 1999-2001.

California State University, Fullerton, CA 2002-2004.

University of Phoenix, AZ 2008-2010. Earned Bachelor of Science (BS) degree in Business Administration with an emphasis in Accounting (06/2010).

#### **Certified Public Accountant (CPA)**

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- Licensees renewing in an active license status who either have not been previously fingerprinted, or for whom no electronic fingerprint records exist in the Department of Justice's criminal offender record identification database, are required to undergo the fingerprint process as a condition of

license renewal. Licensees who are actively serving in the United States military are exempt from this requirement.

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- Three years of financial (including internal audit) or management accounting experience in business, industry or government or
- Two years of financial or management accounting experience, plus one year in public accounting or
- Three years of financial/management accounting experience on a consulting basis or
- Three years in a management accounting role focused on the management and operation of an accounting firm or
- Awarded a research-based doctorate degree in accounting or related business field\* at an accredited academic institution, and has taught at least four college semester or quarterly classes in accounting or related business field\* at an accredited academic institution

\*Related business fields include economics, finance, information systems or other disciplines associated with the strategic management and operations of a business.

### **Item 3 – Disciplinary Information**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of each investment adviser representative providing investment advice to you. Mr. Skorheim has no information of this type to report.

### **Item 4 – Other Business Activities**

James M. Skorheim, Jr., is the Chief Financial Officer and a Professional Accountant at Skorheim & Associates, AAC, where he provides administration, accounting, tax, financial planning, business valuation, securities analysis, business counsel, forensic accounting and expert testimony services. Mr. Skorheim dedicates approximately 60% of his professional time to these activities and 40% of his time to his investment advisory practice.

### **Item 5 – Additional Compensation**

Mr. Skorheim does not receive any economic benefit from any non-client for providing investment advisory services.

### **Item 6 – Supervision**

James M. Skorheim, Jr., is supervised by Jeffrey J. Dorman, CFP.

## **Item 7 – Requirements for State Registered Advisers**

Investment adviser representatives who are registered with a state regulatory agency rather than the SEC are required to provide additional information about a wider range of disciplinary and financial events in addition to the disclosures made in Item 3 of Part 2B above.

James M. Skorheim, Jr., has no events to report with respect to this Item.