

# Allridge Wealth Management, P.C.

## Part 2A of Form ADV

### The Brochure



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This brochure provides information about the qualifications and business practices of Allridge Wealth Management, P.C. If you have any questions about the contents of this brochure, please contact us at 301-657-6262. 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 Allridge Wealth Management, P.C. is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

Allridge Wealth Management, P.C.'s most recent annual update to Part 2 of Form ADV was made in March 2021. Allridge Wealth Management, P.C.'s business activities have not changed materially since the time of that update.

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## Advisory Business

Allridge Wealth Management, P.C. (“AWM”) is a fee-only wealth management firm founded in 1995. It provides customized investment management services to individuals, trusts, estates, charitable organizations, pension and profit-sharing plans, corporations and other legal entities on a non-transactional fee-only basis. AWM generally invests client assets in domestic and international stocks, bonds, mutual funds, and exchange traded funds (“ETFs”).

At the opening of an account, we will obtain sufficient information in the form of the suitability questionnaire and otherwise, from each client about the client's financial situation, investment objectives and risk tolerance. We then work with the client to establish a customized investment profile and Investment Policy Statement (IPS) that will meet the needs of the individual client. Clients may choose from growth, balanced, and conservative strategies, and can impose reasonable restrictions on us for investing in certain types of securities and management of their accounts.

All client accounts are managed on a non-discretionary basis. As of December 31, 2020, AWM managed \$38,409,563 on behalf of 16 clients.

## **Fees and Compensation**

AWM charges clients in one of three ways: Hourly, Project Basis and Percentage of Assets.

Hourly: The hourly billing rate is \$275.00 charged in quarter-hour increments and is billed monthly.

Project Basis: Project based fees are calculated by multiplying the stated hourly rate by the number of hours required to complete the analysis requested by the client. Fees are billed at the completion of the project.

Hourly and Project Based fees are non-negotiable.

Percentage of Assets: Percentage of asset fees are based upon the following schedule: 1% of assets from \$0 to \$1,000,000.00; .75% of assets from \$1,000,000.01 to \$2,000,000.00 and .50% for all assets over \$2,000,000.01. This fee schedule is applied in arrears to the aggregate value of all accounts being monitored for a client as of the last trading day of each quarter, divided by four. The minimum quarterly charge for this arrangement is \$1,000.00. Percentage of assets fees are billed in arrears and deducted from a client-designated account each quarter and are not negotiable.

AWM does reserve the authority to waive or discount fees for any client. Advisory fees are separate and distinct from fees and expenses charged by separate brokerage/custodians or mutual funds which may be recommended to clients. A description of these fees and expenses are available from the custodian and/or fund prospectus. Please see section under “Brokerage Practices”.

Upon presentation of the analyses, clients are free to obtain separate legal, accounting or brokerage services to implement recommendations. Should it be so desired, AWM will assist the client with implementing their investment choices by coordinating execution and monitoring performance. At no time does AWM have discretionary control or authority over client accounts or any subsequent investing which may take place as a result of these recommendations.

Termination/Refunds: Clients may terminate an investment advisory contract at any time during the engagement and will be billed for the services provided to date on a pro-rata basis.

## **Performance Based Fees and Side-by-Side Management**

AWM does not charge performance fees.

## **Types of Clients**

AWM provides customized investment management services to individuals, trusts, estates, charitable organizations, pension and profit-sharing plans, corporations and other legal entities on a non-transactional fee-only basis. The minimum account size is generally \$1,000,000 but this amount is negotiable. AWM charges a minimum quarterly charge of \$1,000.00 for investment management services.

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

AWM conducts fundamental analysis on all securities recommended for client accounts. These analyses vary depending upon the security in question. For stocks and bonds the analyses generally include a review of:

- The issuer's management;
- The amount and volatility of past profits or losses;
- The issuer's assets and liabilities, as well as any material changes from historical norms;
- Prospects for the issuer's industry, as well as the issuer's competitive position within that industry;
- Any other factors considered relevant.

For mutual funds and ETFs the analyses generally include a review of:

- The fund's management team;
- The fund's historical risk and return characteristics;
- The fund's exposure to sectors and individual issuers;
- The fund's fee structure; and
- Any other factors considered relevant.

Portfolios are constructed for long-term strategic growth or income and not based upon market timing techniques.

All investing involves risk of loss and the investment strategy offered by AWM could lose money over short or even long periods. Performance could be hurt by a number of different market risks, including but not limited to:

**Investing in securities is inherently risky.** An investment in individual securities or in a portfolio of securities could lose money. AWM cannot give any guarantee that any client will receive a return of his or her investment.

**Stock market risk.** The chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

**AWM may rely on information that turns out to be wrong.** In making its investment decisions, we will rely on internally generated research, derived from annual reports, prospectuses, filings with the SEC, corporate press releases, inspections of corporate activities, conversations with the firm and/or competitors, financial newspapers, magazines and other sources. We may also use research materials prepared by others in making an investment decision. During the research process, we make an assessment of the quality of the security in question by examining among other things financial metrics of the relevant company, the integrity and strategic vision of the management team and the ability to execute such strategy, as well as the attractiveness and risks of the company's industry.

We are not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and a result in losses.

**Investing in securities entails risks associated with the underlying business.** Investments in securities entails all the risks associated with the underlying businesses, including reliance on a company's managers and their ability to execute business strategies. In addition, all businesses face risks such as adverse changes in regulatory requirements, interest rate and currency fluctuations, general economic downturns, changes in political situations, market competitions and other factors AWM will not have day-to-day control over any company in which it invests for clients.

## **Disciplinary Information**

Neither AWM nor any employee has been involved in any legal or disciplinary event.

## **Other Financial Industry Activities and Affiliations**

Mr. Allridge is also a partner in Century Financial Group, LLC, a Virginia Registered Investment Advisor located at 4114 Legato Road, 5<sup>th</sup> Floor, Fairfax, VA 22033. He is registered with this firm as an investment advisor representative in Virginia and provides investment advice to clients of Century Financial Group, LLC. His arrangement with this company presents no conflict of interest with clients of AWM

Mr. Allridge does not receive economic benefits from any person or entity other than AWM and Century Financial Group, LLC in connection with providing investment advice to clients.

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

To avoid any potential conflicts of interest involving personal trades, AWM has adopted a Code of Ethics ("Code"), which includes formal insider trading, information barriers, and personal security transactions policies and procedures. AWM's Code requires, among other things, that its employees:

1. Place client interests ahead of AWM's,
2. Engage in personal investing that is in full compliance with the Code,
3. Avoid taking advantage of their position, and
4. Maintain full compliance with applicable federal securities laws.

AWM's Code also requires employees to: (1) pre-clear certain personal securities transactions, (2) report personal securities transactions on at least a quarterly basis, and (3) provide AWM with a detailed summary of holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.

A copy of AWM's Code shall be provided to any client or prospective client upon request.

As a member of the Financial Planning Association ("FPA"), AWM is also required to adhere to the FPA's Code of Ethics.

AWM's employees may conduct investment activities for their own accounts but generally don't invest in the same securities recommended to clients. In some cases, the investment holdings of AWM's employees may overlap with those of clients and employee personal securities transactions and could theoretically occur in the same security on the same day as client securities transactions. However, AWM does not actually initiate securities transactions on behalf of its clients and would not have any advance notice of whether the client intended to implement the recommendations made by AWM. Employees are prohibited from using any advance knowledge of any trading intentions in order to benefit from any potential impact of client trading activity.

## **Brokerage Practices**

Clients wishing to implement the advice provided by AWM are free to select any broker they wish and are so informed. Those wishing for a recommendation receive such recommendation based upon the broker's costs, skills, reputation, dependability and compatibility with the client, and not upon any financial arrangement between the AWM and the recommended broker. AWM generally recommends that clients use Charles Schwab & Co., Inc. ("Schwab") as their broker dealer/custodian.

Schwab is the largest discount commercial broker dealer/custodian in the United States and offers a low commission structure in combination with excellent service. The services provided by Schwab are a factor in the firm's suggestion that clients use Schwab, whose services will ordinarily include monthly and at least quarterly account statements to clients. Schwab will also provide AWM with computer software services whereby the firm can monitor and review client accounts. For this reason, AWM may have an incentive to recommend Schwab over other brokers.

AWM does not have any "soft-dollar" arrangements and Schwab does not provide any research services to AWM. Schwab will make available to the firm's clients, investment related brochures of the generic and educational nature.

Based upon the above, in general, clients will not pay commissions higher than those obtainable from other brokers in return for Schwab services because Schwab's low commission structure is fundamental to its operation. However, brokerage commission rates in the US are not fixed by any authority but are subject to negotiation. Therefore, it is possible that commission rates for certain customers may be higher or lower for identical or similar transactions, had they been executed at other broker/dealers.

## **Review of Accounts**

Client accounts are reviewed at least annually with the calendar being the triggering factor. There are no different levels of review. For clients being charged on a percentage of assets basis, written reports include current security positions, transaction activity and performance analyses provided quarterly. Clients also receive account statements directly from their chosen custodian on at least a quarterly basis.

## **Client Referrals and Other Compensation**

AWM does not receive any economic benefit from outside sources in connection with providing referrals of investment advice to clients.

## **Custody**

All client accounts are held in custody by unaffiliated broker/dealers. AWM may access client accounts through its ability to debit advisory fees. Client statements itemizing these fees are sent to clients on a quarterly basis. Account custodians also send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and compare these statements with any account information provided by AWM.

## **Investment Discretion**

AWM is a non-discretionary investment advisor and is not registered to buy or sell securities. All purchases and sales of securities are handled directly by the client.

## **Voting Client Securities**

AWM does not handle the voting of securities for clients. The voting of all securities resides with the client. Clients shall in no way be precluded from contacting AWM for advice or information about a particular proxy solicitation.

## **Financial Information**

AWM does not require the prepayment of any client fees.

## **Requirement for State-Registered Advisors**

### **Richard A. Allridge's Biographical Information**

#### Educational Background and Business Experience

Born in 1951, Richard A. Allridge is the founder and President of AWM. He received his Bachelor's degree from Duquesne University, Pittsburgh, Pennsylvania in 1974 and a Master's Degree in Public Administration from the University of Pittsburgh, Pittsburgh, Pennsylvania in 1977. He was awarded the Certified Financial Planner™ designation in 1985 from the Certified Financial Planner Board of Standards, Inc.<sup>1</sup> He is also a member in good standing in The Financial Planning Association (FPA).

#### Disciplinary Information

Richard has not been involved in any legal or disciplinary events that would be material to a client's evaluation of him or of AWM.

#### Other Business Activities

Richard is also a partner in Century Financial Group, LLC; a Virginia Registered Investment Advisor located at 4114 Legato Road, 5<sup>th</sup> Floor, Fairfax, VA 22033. He is registered with this firm as an

investment advisor representative in Virginia and provides investment advice to clients of Century Financial Group, LLC. His arrangement with this company presents no conflict of interest with clients of AWM.

#### Additional Compensation

Richard does not receive economic benefits from any person or entity other than AWM and Century Financial Group, LLC in connection with providing investment advice to clients.

#### Supervision

Richard is the founder and President of AWM and is ultimately responsible for the investment activities and regulatory compliance of AWM. AWM has adopted policies and procedures to ensure it is in compliance with federal and state securities regulations and statutes.

### **Richard W. Allridge's Biographical Information**

#### Educational Background and Business Experience

Born in 1990, Richard W. Allridge is the operations manager of AWM. He received his Bachelor's degree from Saint Joseph's University, Philadelphia, Pennsylvania in 2012. He was awarded the Certified Financial Planner™ designation in 2017 from the Certified Financial Planner Board of Standards, Inc. He is also a member in good standing in The Financial Planning Association (FPA).

#### Disciplinary Information

Richard has not been involved in any legal or disciplinary events that would be material to a client's evaluation of him or of AWM.

#### Other Business Activities

Richard also serves as operations manager for Century Financial Group, LLC; a Virginia Registered Investment Advisor located at 4114 Legato Road, 5<sup>th</sup> Floor, Fairfax, VA 22033. He is registered with this firm as an investment advisor representative in Virginia and provides investment advice to clients of Century Financial Group, LLC. His arrangement with this company presents no conflict of interest with clients of AWM.

#### Additional Compensation

Richard does not receive economic benefits from any person or entity other than AWM and Century Financial Group, LLC in connection with providing investment advice to clients.

#### Supervision

Richard adheres to the policies and procedures adopted by AWM to ensure compliance with federal and state securities regulations and statutes.



## Requirements for State-Registered Advisors

This section is not applicable.

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<sup>i</sup> The **Certified Financial Planner™ (CFP®)** designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board). To earn the CFP designation, candidates must meet several requirements—the first of which is the educational requirement, which requires candidates to have a bachelor's degree or higher from an accredited U.S. college or university. CFP candidates must master a list of nearly 100 topics on integrated financial planning. The topics cover major planning areas such as: General Principles of Finance and Financial Planning; Insurance Planning; Employee Benefits Planning; Investment and Securities Planning; State and Federal Income Tax Planning; Estate Tax, Gift Tax, and Transfer Tax Planning; Asset Protection Planning; Retirement Planning; and Estate Planning. Students are required to complete course training in the above listed topic areas in order to meet the first requirement to sit for the 10-hour CFP Board Certification Examination. Even after the student passes the exam, he or she must also have three years full-time or equivalent experience in the financial planning field and be approved by the CFP Board during initial certification, which involves an extensive background check—including an ethics, character and criminal check. Students and certificants are required to adhere to the CFP Board Code of Ethics and Professional Responsibility and to the Financial Planning Practice Standards. To maintain certification, license holders are also required to complete certain continuing education requirements on an on-going basis in addition to paying a licensing fee every two years.