

# **Gerritz Wealth Management, Inc.**

2401 Meadow Creek Drive

Medford, OR 97504

541-608-9958

[www.gerritz.com](http://www.gerritz.com)

06/09/2014

This Brochure provides information about the qualifications and business practices of Gerritz Wealth Management, Inc. If you have any questions about the contents of this Brochure, please contact us at 541-608-9958. 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.

Gerritz Wealth Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Gerritz Wealth Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 11/01/2010 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

Gerritz Wealth Management, Inc. derives 100% of it’s revenue from Investment advisory fee and insurance commissions. Gerritz Wealth Management, Inc. does not charge fees for financial planning.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Stephen L. Gerritz, Chief Investment Officer at 541-608-9958 or [stephen.gerritz@gerritz.com](mailto:stephen.gerritz@gerritz.com). Our Brochure is also available on our web site [www.gerritz.com](http://www.gerritz.com), also free of charge.

Additional information about Gerritz Wealth Management, Inc. is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Gerritz Wealth Management, Inc. who are registered, or are required to be registered, as investment adviser representatives of Gerritz Wealth Management, Inc.

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#### **Item 4 – Advisory Business**

Stephen L. Gerritz, President, is the sole owner of Gerritz Wealth Management, Inc.

Gerritz Wealth Management Inc., formerly known as Gerritz Asset Management, Inc. began business operations on January 11, 1999.

Gerritz Wealth Management, Inc. provides active portfolio management services to individuals and small business. Gerritz Wealth Management, Inc. strives to develop trust and rapport through long term client/advisor relationships. We practice tactical asset allocation in the management of portfolios. This method seeks to reduce risk and increase return by making adjustments to the portfolio based on market conditions.

Gerritz Wealth Management, Inc. handles accounts on a discretionary basis. If so authorized, we may buy or sell any security in any amount without obtaining specific client consent. Gerritz Wealth Management, Inc. does not take custody of the client's securities or cash. All client funds and securities are immediately deposited in an account in the client's name at the lead custodian, (i.e. Pershing LLC or Folio Institutional.) Gerritz Wealth Management, Inc. shall manage accounts on a best efforts basis. We intend to manage accounts in a fashion that is consistent with the client's overall objectives and risk constraints. Clients must acknowledge that all investments involve risk of loss of principle and that Gerritz Wealth Management, Inc. does not guarantee that objectives will be met.

In constructing client portfolios, Gerritz Wealth Management, Inc. may select from a wide variety of available investment vehicle options that may include mutual funds, stocks, bonds, CDs, ETFs, inverse ETFs, master limited partnerships and REITS.

#### **Item 5 - Fees and Compensation**

The specific manner in which fees are charged by Gerritz Wealth Management, Inc. is established in a client's written agreement with Gerritz Wealth Management, Inc. All fees are subject to negotiation. Clients may authorize Gerritz Wealth Management, Inc. to directly debit fees from their accounts. Clients may elect to have management fees billed directly, subject to approval by Gerritz Wealth Management, Inc.

Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

## **INVESTMENT MANAGEMENT FEE SCHEDULE**

Investment management fees are determined according to the fair market value of securities under management.

All fees are collected quarterly, in advance, and are subject to change.

Fee formula: Beginning quarterly value times fee (rate) divided by 4 = Quarterly Fee

Gerritz Wealth Management, Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Gerritz Wealth Management, Inc.'s fee, and Gerritz Wealth Management, Inc. shall not receive any portion of these commissions, fees, and costs.

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

Gerritz Wealth Management, Inc. 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**

Gerritz Wealth Management, Inc. provides portfolio management services to individuals, high net worth individuals and profit-sharing plans.

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

“Investing in securities involves risk of loss that clients should be prepared to bear.”

Gerritz Wealth Management, Inc. investment strategies involve both fundamental and technical analysis. Fundamental analysis tells us what to buy and technical analysis tells us when to buy or sell.

The Gerritz Wealth Management, Inc. investment management process begins with identifying potential investment candidates for our client portfolios. We generally are looking for

companies or funds with strong fundamentals or characteristics that fit our management strategy. We screen and rank the universe of investment opportunities, seeking those funds or companies that have a high risk/reward ratio.

Our management style makes use of risk management techniques that result in frequent trading when markets are volatile. We strive to avoid large account draw-downs during potentially significant market declines. Conversely, we want to position accounts to benefit in rising markets. Frequent trading can reduce performance due to increases in transaction fee cost and a possible increase in tax liabilities.

Gerritz Wealth Management, Inc. uses an assortment of strategic techniques and models to manage client portfolios. For example, we use a proprietary moving average cross-over model to time our entry and exit for our bond/income investments. Trend-line analysis is our primary technique for managing equities. Both strategies make use of either mental or actual sell stops. Tax implications are generally not a consideration unless the client has instructed us to avoid a specific taxable event.

Client portfolios may be concentrated in a narrow range of securities or fixed income assets from time to time, i.e. money market funds, bond funds, etc.

Simply put our management style strives to reduce volatility and potentially increase the portfolio rate of return in sometimes volatile markets.

#### **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 Gerritz Wealth Management, Inc. or the integrity of Gerritz Wealth Management, Inc.'s management. Gerritz Wealth Management, Inc. has no information applicable to this Item.

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

Gerritz Wealth Management, Inc. is a licensed health & life agent. Some of the advice given to our clients relate to non investment matters, i.e. insurance needs. As a licensed health & life insurance agency, we offer insurance company products. Investment advisory clients are under no obligation to purchase life insurance or annuities through Gerritz Wealth Management, Inc. If they do make a purchase through us we may earn a commission for the sale of an insurance product. This conflict of interest is made known to the advisory client. We spend about 10% of

our time in sales of insurance products. We spend 90% of our time providing fee based active investment management services.

#### **Item 11 – Code of Ethics**

Gerritz Wealth Management, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Gerritz Wealth Management, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Gerritz Wealth Management, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Gerritz Wealth Management, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Gerritz Wealth Management, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Gerritz Wealth Management, Inc.'s employees and persons associated with Gerritz Wealth Management, Inc. are required to follow Gerritz Wealth Management, Inc.'s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Gerritz Wealth Management, Inc. and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Gerritz Wealth Management, Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Gerritz Wealth Management, Inc. will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Gerritz Wealth Management, Inc.'s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Gerritz Wealth Management, Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an

aggregated basis when consistent with Gerritz Wealth Management, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Gerritz Wealth Management, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro-rata basis. Any exceptions will be explained on the Order.

Gerritz Wealth Management, Inc.'s clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Stephen L. Gerritz at 541-608-9958.

It is Gerritz Wealth Management, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Gerritz Wealth Management, Inc. will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

#### **Item 12 – Brokerage Practices**

Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients.

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

#### **Item 13 – Review of Accounts**

Client account reviews are conducted at least annually or as is appropriate should any change occur affecting their personal situation. Stephen L. Gerritz, Chief Investment Officer, reviews all clients personally and presents a total of assets listed for net asset values during these reviews.



Clients are provided daily account position and valuation reports via the Gerritz Wealth Management Web-Site ([www.gerritz.com](http://www.gerritz.com)).

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

Gerritz Wealth Management, Inc. does not compensate anyone for referrals.

#### **Item 15 – *Custody***

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Gerritz Wealth Management, Inc. urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – *Investment Discretion***

Gerritz Wealth Management, Inc. usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Gerritz Wealth Management, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Gerritz Wealth Management, Inc.'s authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Gerritz Wealth Management, Inc. in writing.

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

Gerritz Wealth Management, Inc. prefers that clients vote their own securities proxies.

Clients can request that Gerritz Wealth Management, Inc. vote security proxies for them. Clients may obtain a copy of Gerritz Wealth Management, Inc.'s complete proxy voting policies and procedures upon request. Clients may also obtain information from Gerritz Wealth Management, Inc. about how Gerritz Wealth Management, Inc. voted any proxies on behalf of their account(s); this information request must be in writing.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Gerritz Wealth Management, Inc.'s financial condition. Gerritz Wealth Management, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisors**

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Gerritz Wealth Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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**Stephen L. Gerritz, CFP** - President and Chief Investment Officer

Gerritz Wealth Management, Inc.

Born Oct. 31, 1949

## **Business Experience & Education**

### BUSINESS EXPERIENCE

January 99 to Present

Gerritz Wealth Management, Inc.

President and Chief Investment Officer

Fee Based Portfolio design, implementation, and monitoring

May 92 to January 99

Stephen Lee Gerritz (Sole Proprietor)

Investment & Financial Advisor

General financial planning consultation Fee Based Portfolio design, implementation, and monitoring

June 88 to May 92

Investment Management & Research, Inc. Lake Oswego, OR

Financial Planning & Product Sales

Certified Financial Planner

Registered Representative responsible for preparing and implementing financial planning programs for individuals & small businesses

Jan. 88 to June 88

Martin/Panton, Inc. Portland, OR

Branch Office Manager

I managed a group of sales representative.

Responsibilities included recruiting, training, and maintenance of NASD & SEC rules and regulations.

Nov. 86 to Jan. 88 PFG Securities, Inc. Bellevue, WA Office of supervisory jurisdiction  
Joint Branch Manager

Compliance maintenance and personal sales

Sept. 82 to Nov. 86 Anchor National Financial Services, Inc. Phoenix, AZ

Branch Office Manager

Financial Planning and OSJ operations were my duties.

## **EDUCATION**

Stephen L. Gerritz, CFP -- October 31, 1949

College for Financial Planning -- Certified Financial Planner designation, June 85

Areas of study included insurance, investments, retirement planning, estate planning, and retirement plan design.

National Association of Securities Dealers Washington DC

Securities Exam successfully completed:

Series 65 Uniform Investment Advisor law, 1992 Washington DC

Series 24 Registered Principal, 1983 Washington DC

Series 63 Multi-State Registration, 1982 Washington DC

Series 7 Registered Representative 1982 Washington DC

State of Oregon, Insurance Division Oregon License in Health & Life Insurance, 1981

University of Oregon, 1969 - 1970 Undergraduate studies Liberal Arts

## **PROFESSIONAL SOCIETIES**

National Association of Active Investment Advisors (NAAIM) 2009

International Association for Financial Planning 1982

International Board of Standards & Practices for CFP 1886

Licensed to use of Certified Financial Planner designation

Institute Certified Financial Planners 1999