

## Item 1    Cover Page

### Part 2A of Form ADV: *Firm Brochure*

#### **Pebble Valley Holdings, Inc.**

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Brochure Date – March 17, 2020

This brochure provides information about the qualifications and business practices of Pebble Valley Wealth Management. For questions about the contents of this brochure, please contact us at 708-246-2366 or [kirk@pvwealthmgt.com](mailto:kirk@pvwealthmgt.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Pebble Valley Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by using a unique identifying number, known as a CRD number. Our firm's CRD number is 145664.

## **Item 2     Material Changes**

The previous filing of this Brochure was completed on March 19, 2019. This section will contain a summary of new and/or updated information since the previous filing. We will inform clients of the revision(s) based on the nature of the updated information. Any changes in this Brochure that could impact existing clients will be discussed and agreed to if necessary before any changes are made to existing clients.

A summary of the material changes includes:

- The amount of managed assets and assets under advisement in Item 4 was updated to reflect the growth of the firm.

We will ensure that clients receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide clients with other interim disclosures about material changes as necessary.

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## **Item 4     Advisory Business**

Pebble Valley Holdings, Inc. is a state-registered investment adviser with its principal place of business located in Illinois. The business name ("dba") is Pebble Valley Wealth Management which began conducting business in 2008.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Kirk A. Kreikemeier, President/Treasurer
- Margaret M. Kreikemeier, Secretary

Kirk A. Kreikemeier is the sole registered representative of Pebble Valley Wealth Management and is the only principal who works with clients and is aware of their personal financial information and circumstances.

Pebble Valley Wealth Management offers the following advisory services to our clients:

### **PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Our firm also provides a periodic review of a portfolio on a scheduled or as-requested basis of client funds based on the individual needs of the client.

Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives, as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Securities used for asset management are predominately mutual funds and exchange-traded funds and notes, but may also include option contracts, closed-end funds, individual stocks and bonds, and other publicly traded securities. In particular circumstances, life insurance or annuity products with an investment component may be part of a portfolio.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial circumstances of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We assess the need and inquire if policies are in place for proper coverage of life, health, disability, long-term care and liability. **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, a review of estate tax, powers of attorney and asset protection plans among others.

Financial Planning recommendations including investments and insurance are not limited to any specific product or service offered by a broker-dealer or insurance company. Our investment recommendations will generally include securities that are predominately mutual funds and exchange-traded funds and notes, but may also include option contracts, closed-end funds, individual stocks and bonds, and other publicly traded securities. In particular circumstances, life insurance or annuity products with an investment component may be part of a portfolio.

## PENSION CONSULTING SERVICES

We also provide several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals, trusts and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

### ***Investment Policy Statement Preparation (hereinafter referred to as "IPS"):***

We will prepare a written IPS containing the Client's investment objective, investment responsibilities, investment guidelines and limitations, an asset allocation policy based on appropriate risk tolerances and monitoring procedures. Once the Client has received the

written proposed IPS, the Client will have the sole discretion to determine whether or not to adopt the IPS. The IPS also lists the criteria for selection of investment options as well as the procedures and timing interval for monitoring the investment options.

***Selection of Investment Vehicles:***

We will review various investments to determine which of these investments are appropriate to implement according to the Client's adopted IPS. The final investments to be implemented for the retirement plan will be determined solely by the Client.

***Monitoring of Investment Performance:***

We will monitor the Client's investments according to the adopted IPS. Advisor will not be involved in any way in the purchase and sale of any of Client's investments pursuant to the adopted IPS. The Advisor will monitor the investment options of Client which are made pursuant to the adopted IPS and make recommendations to the Client based upon market factors and Client needs.

***Employee Communications:***

We will provide at least annual education support and investment workshops to Plan participants exercising control over assets in their individual accounts ("self-directed plans"). Advisor and Client will develop the content of the workshops consistent with the guidelines established in Employee Retirement Income Security Act of 1974 ("ERISA") Section 404(c). The educational support and workshops will NOT provide Plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

**AMOUNT OF MANAGED ASSETS**

As of January 31, 2020 we had "assets under management" of \$52,691,560 of clients' assets on a discretionary basis. Separate from this total, we had an additional \$41,785,266 of "assets under advisement".

## Item 5 Fees and Compensation

### PORTFOLIO MANAGEMENT WITH OR WITHOUT FINANCIAL PLANNING

**“Comprehensive Financial Planning with Investment Management”:** Our annual fees are based upon a percentage of assets under management starting at 1.00% and tiering down based on total asset size to reflect economies of scale and financial planning costs according to the following schedule (includes option strategies if applicable - see Item 8 - Investment Strategies):

#### **Annual Fee for Assets Under Management**

1.00% of the first \$500,000, then  
0.85% of the next \$500,000, then  
0.70% of the next \$1,000,000, then  
0.60% of the remaining balances

A minimum of **\$250,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances.

**“Investment Management Only”:** Our annual fees are based upon a percentage of assets under management starting at 0.75% and tiering down based on total asset size to reflect economies of scale according to the following schedule (includes option strategies if applicable - see Item 8 - Investment Strategies):

#### **Annual Fee for Assets Under Management**

0.75% of the first \$500,000, then  
0.65% of the next \$500,000, then  
0.55% of the next \$1,000,000, then  
0.50% of the remaining balances

A minimum of **\$125,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances.

**“Introductory Services”:** Our annual fees are based upon a percentage of assets under management of 0.55% (does not include option strategies) with an annual minimum fee of \$250 for Investment Management only. Additional fees apply if Financial Planning services are requested ranging from \$69 or more per month for ongoing advice or \$900 or more for a one-time plan depending on the planning topics requested.

A minimum of **\$6,000** of assets under management is required for this service.

**“Periodic Asset Allocation Advice”:** Our annual fees will be based on the portfolio size, complexity and frequency of review. The fixed amount will typically range from \$1,500 for a small portfolio with a quarterly review to \$15,000 or more for a large, complex portfolio with quarterly review.

There is not a minimum asset size required for this service but the asset size will be considered when determining the cost.

**Billing Frequency:** For “Investment Management” services with or without Financial Planning, the client is invoiced in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account(s) at the end of each month in the previous quarter.

For “Periodic Asset Allocation Advice”, the client is typically invoiced in arrears at the end of a set time period, typically quarterly or semi-annually. The client may prefer to pay part of the fees in advance for administrative ease; however, advance payment will never exceed \$500 for work that will not be completed within six months.

The client can select whether fees are deducted from one of the advised account(s) provided the custodian can facilitate it or paid for directly by the client.

**Limited Negotiability of Advisory Fees:** Although Pebble Valley Wealth Management has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client's assets, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition and reports among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members of associated persons of our firm.

## **FINANCIAL PLANNING ONLY FEES**

Pebble Valley Wealth Management's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

**“One-Time Comprehensive Financial Plan”:** Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$3,000 to \$10,000 or more for a comprehensive financial plan depending on the specific needs, complexity of issues and net worth of the client. The fixed fee may be less if only specific components of a financial plan are requested or the client had a financial plan prepared by Pebble Valley Wealth Management within the past two years. The fixed fee may be more if the client's estate is substantial with additional complexities to consider.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.



**“Comprehensive Financial Plan Retainer”:** Our annual fee will be based on the specific needs, complexity of issues and net worth of client and frequency of review. This service model best fits clients with high net worth. The annual retainer may range from \$10,000 to \$25,000 or more for a large, complex client with quarterly review.

## GENERAL INFORMATION

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 15 calendar days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. Any earned fees not yet billed to client will be calculated on a pro rata basis.

**Mutual Fund Fees:** All fees paid to Pebble Valley Wealth Management for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

**Additional Fees and Expenses:** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$500 or six months or more in advance of services rendered.

### Item 6 Performance-Based Fees and Side-by-Side Management

Pebble Valley Wealth Management does not charge performance-based fees.

### Item 7 Types of Clients

Pebble Valley Wealth Management provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets. The primary methods employed are **Asset Allocation** and **Mutual Fund and/or ETF Analysis**. The other methods are also considered in various capacities on various security types (stocks, ETFs, mutual funds, closed-end funds, etc.) depending on the client's needs.

**Asset Allocation.** Rather than focusing primarily on securities selection, we attempt to identify an appropriate percentage of different asset classes suitable to the client's investment goals and risk tolerance based on Modern Portfolio Theory

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

**Mutual Fund and/or ETF Analysis.** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest well over a period of time and in different economic conditions relative to their stated benchmark. We also look at the underlying asset classes in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement or to help determine entry and exit points.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform

regardless of market movement.

**Independent Third Party Research.** We make use of third-party research on individual companies to help assess fundamental and/or technical-driven value. This research may be used to quantitatively filter out companies with favorable characteristics for inclusion in a diversified portfolio.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities are currently undervalued,
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. A given security may capture the performance of a diversified asset class and the short time period may be in the context of tactical asset allocation.

**Trading.** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings. This strategy is primarily employed with regards to option contracts.

**Margin transactions.** We may purchase securities for a client's portfolio with money borrowed from the client's brokerage account if the client grants the authority. This allows the client to purchase more securities than he/she would be able to with just available cash and allows us to purchase securities without selling other holdings. There is a cost to the money borrowed and the client should only authorize this strategy if the expected return from the security purchased with borrowed money will exceed the cost of borrowing the money from a client's brokerage account. This allows a client to purchase more securities

than a client would be able to with available cash, and allows us to purchase securities without selling other holdings.

**Option strategies.** We may use options as part of an investment strategy if a client grants the authority. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts. An investor can buy or sell an option.

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. We may buy a call if we expect the security will increase substantially before the option expires. We may sell a call if we expect the price of the security is not likely to exceed the price specified in the option.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. We may buy a put if we expect the price of the security will fall before the option expires. We may sell a put if we expect the price of the security is not likely to fall below the price specified in the option.

Various option strategies are listed below. One or more of these strategies will only be employed if the client grants the authority and the account is authorized for such trading. The "spreading strategy" and "buy options" will generally be implemented upon specific approval from the client.

We may use "covered calls", in which we sell a call option on a security the client owns. In this strategy, the client will receive a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price. The client will already own the security in his/her portfolio.

We may use "cash-secured puts," in which we sell a put option on a security a client would like to own at a lower price. A client will receive a fee for making the option available and the person purchasing the option has the right to sell the security to the client at an agreed upon price. The client will need to have the necessary cash for potential purchase in his or her portfolio.

We may use a "spreading strategy," in which we transact two or more option contracts (for example, buying and selling different call options) for the same underlying security. This effectively puts a client on both sides of the market, but with the ability to vary price, time and other factors.

We may "buy options" to capture the performance of a possible sharp price swing. Buying a call option effectively gives clients exposure to a security they want to own with less cash. Buying a put option effectively gives a client a potential hedge against specific or similar securities in the portfolio.

**Risk of Loss.** Securities investments are not guaranteed and clients may lose money on their investments. We ask that each client work with us to help us understand his or her

tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm may recommend other professionals to the client. There is no direct or indirect form of compensation received by Pebble Valley Wealth Management from those professionals or their firms that are recommended.

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

Our firm has adopted a *Code of Ethics* which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

The Code establishes rules of conduct for all employees of Pebble Valley Wealth Management. The Code is based upon the principle that Pebble Valley Wealth Management and its employees owe a fiduciary duty to Pebble Valley Wealth Management's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the Firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Pebble Valley Wealth Management continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our Firm continues to be a direct reflection of the conduct of each employee.

Pebble Valley Wealth Management and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our firm has also adopted a compliance program designed to prevent, detect and correct any actual or potential violations of the securities laws and the firm's policies and procedures.

Pebble Valley Wealth Management and individuals associated with our firm are prohibited from engaging in principal transactions.

Our Code of Ethics and compliance program is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

The reason to buy or sell a security depends on each client's or the advisor's own unique circumstances. A purchase or sale of a security for one client may not occur for all other clients or the advisor that hold the same security.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [kirk@pvwealthmgt.com](mailto:kirk@pvwealthmgt.com), or by calling us at 708-246-2366.

## **Item 12 Brokerage Practices**

For discretionary clients, Pebble Valley Wealth Management allows the clients to either provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions or direct which broker dealer to use for a specified account(s). If the client directs the broker dealer, Pebble Valley Wealth Management may be unable to achieve most favorable execution of client transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Pebble Valley Wealth Management does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

As a matter of policy and practice, Pebble Valley Wealth Management generally aggregates clients' trades across multiple accounts on the same trading platform. This assures equivalent execution levels for the accounts involved with the trade. In some instances, if only a small number of accounts are involved or if the trading platform doesn't allow, transactions may be placed separately for each client's account. Consequently, certain client trades may be executed before others and may result in a different transaction price.

If only part of the trade order is filled, allocation will occur considering size of account and commission impacts from a partial allocation.

## **Item 13 Review of Accounts**

### **PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by Kirk A. Kreikemeier, Principal of Pebble Valley Wealth Management.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide at least quarterly reports summarizing account performance, balances and holdings.

### **FINANCIAL PLANNING**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews beyond the initial plan will be conducted for Financial Planning clients unless otherwise contracted. Ongoing informal reviews occur as client circumstances change.

Reviews are done by Kirk A. Kreikemeier, Principal of Pebble Valley Wealth Management.

**REPORTS:** Financial Planning clients will receive an initial written financial plan. Additional formal reports may not be provided unless otherwise contracted. Ongoing informal reports may occur as client circumstances change.

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

It is Pebble Valley Wealth Management's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Pebble Valley Wealth Management's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

Pebble Valley Wealth Management does not take custody of client funds. We may however deduct the client's fee from one of the advised accounts held at an independent custodian.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on at least a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we will place trades in a client's account without contacting the client for permission prior to each trade.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

## **Item 18 Financial Information**

As an advisory firm that has discretionary authority of client's funds, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. Pebble Valley Wealth Management has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client for more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Pebble Valley Wealth Management has not been the subject of a bankruptcy petition at any time during the past ten years



## Item 19 Requirements for State-Registered Advisers

The following individuals are the principal executive officers and management persons of Pebble Valley Wealth Management:

- Kirk A. Kreikemeier, President/Treasurer
- Margaret M. Kreikemeier, Secretary

Kirk A. Kreikemeier is the sole registered representative of Pebble Valley Wealth Management and is the only principal who works with clients and is aware of their personal financial information and circumstances.

Information regarding the formal education, business background, disciplinary and other information for Kirk A. Kreikemeier is as follows:

### Educational Background and Business Experience

**Full Legal Name:** Kirk A. Kreikemeier **Born:** 1965

#### Education

- University of Nebraska - Lincoln; BSBA, Actuarial Science; 1988

#### Business Experience

- CNA Insurance Companies; Actuary; from 02/1989 to 03/1999
- Allstate Investments; Portfolio Manager; from 03/1999 to 12/2007
- Pebble Valley Wealth Management; Principal; from 01/2008 to Present

#### Designations

Kirk A. Kreikemeier has earned the following designation(s) and is in good standing with the granting authority:

- FSA; Fellow of the Society of Actuaries; 1997

This designation is offered by the Society of Actuaries. To obtain the FSA designation, candidates must successfully complete a series of difficult exams. The exam requirements initially were 10 exams, later converted to 450 credits plus a Fellowship Admissions Course covering practical applications and ethics (when Kirk attained designation) and is currently a combination of exams, educational experience validation and a professionalism course. Fellowship candidates choose a specialty track and complete the requirements of that track. Kirk chose the Investment track.

- CFA; Chartered Financial Analyst; 2002

This designation is offered by the CFA Institute (formerly the Association for Investment Management and Research [AIMR]). To obtain the CFA charter, candidates must successfully complete three difficult exams and gain at least three (3) years of qualifying work experience, among other requirements. In passing these exams, candidates demonstrate their competence, integrity and extensive knowledge in accounting, ethical and professional standards, economics, portfolio management and security analysis.

- CFP<sup>®</sup>; Certified Financial Planner(R); 2011

The program is administered by the Certified Financial Planner Board of Standards Inc. Those with the CFP<sup>®</sup> designation have demonstrated competency in all areas of finance related to financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. In addition to passing the CFP certification exam, candidates must also complete qualifying work experience and agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards.

### **Disciplinary Information**

Kirk A. Kreikemeier has no reportable disciplinary history.

### **Other Business Activities**

#### **A. Investment-Related Activities**

1. Kirk A. Kreikemeier is not engaged in any other investment-related activities.
2. Kirk A. Kreikemeier does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### **B. Non Investment-Related Activities**

Kirk A. Kreikemeier is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time. Substantial is deemed to be 10% or more.

### **Additional Compensation**

Kirk A. Kreikemeier does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### **Supervision**

**Supervisor:** Self

**Title:** Principal

**Phone Number:** 708-246-2366

As a matter of good business and industry practices, Pebble Valley Wealth Management has adopted a compliance program designed to prevent, detect and correct any actual or potential violations of the securities laws and the firm's policies and procedures. Elements of Pebble Valley Wealth Management's compliance program include the designation of a Compliance Officer, adoption and reviews of these IA Compliance Policies and Procedures, training, and recordkeeping, among other things.

### **Additional Requirements for State-Registered Advisers**

A. Additional Disciplinary History

Kirk A. Kreikemeier has no additional reportable disciplinary history.

B. Bankruptcy History

Kirk A. Kreikemeier has not been the subject of a bankruptcy petition.