

Part 2A of Form ADV: *Firm Brochure*

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This brochure provides information about the qualifications and business practices of Pebble Valley Wealth Management. If you have any questions about the contents of this brochure, please contact us at 708-246-2366 or 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. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 145664.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 11/27/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As a state-registered investment adviser, our firm is required to comply with the new reporting and filing requirements. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, 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 business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Item 3 Table of Contents

Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	8
Item 6	Performance-Based Fees and Side-By-Side Management	10
Item 7	Types of Clients	10
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	11
Item 9	Disciplinary Information	15
Item 10	Other Financial Industry Activities and Affiliations	15
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	16
Item 12	Brokerage Practices	17
Item 13	Review of Accounts	17
Item 14	Client Referrals and Other Compensation	18
Item 15	Custody	18
Item 16	Investment Discretion	18
Item 17	Voting Client Securities	19
Item 18	Financial Information	19
Item 19	Requirements for State-Registered Advisers	20

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:

INVESTMENT SUPERVISORY SERVICES ("ISS") AND NON-SUPERVISORY SERVICES

INDIVIDUAL 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 non-continuous asset management (periodic review of 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 or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

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

For non-supervisory (ie. non-continuous) asset management, once the client's portfolio has been established, the frequency of portfolio review will depend on the client's agreement but is expected to be no less frequent than semi-annually, and if necessary, rebalance the portfolio on the same frequency, based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the

following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships or corporations related to agricultural

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 and life situation 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. If necessary a review of existing policies are done. Home and automobile insurance and employer-provided health plans that are already in place are typically not reviewed in great detail.
- **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, review estate tax, powers of attorney and asset protection plans among others.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

Financial Planning recommendations including investments and insurance are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature. Our investment recommendations will generally

include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Options contracts on commodities
- Futures contracts on tangibles
- Futures contracts on intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships or corporations related to agricultural

Typically the financial plan is presented to the client within one to six months of the contract date depending on the urgency and focus of the client, but provided that all information needed to prepare the financial plan has been promptly provided.

AMOUNT OF MANAGED ASSETS

As of 10/31/2011, we were actively managing \$6,250,000 of clients' assets on a discretionary basis plus \$250,000 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

INVESTMENT SUPERVISORY SERVICES ("ISS") AND NON-SUPERVISORY SERVICES PORTFOLIO MANAGEMENT WITH OR WITHOUT FINANCIAL PLANNING

Investment Supervisory Services Including Financial Planning: 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 after capturing the financial planning costs according to the following schedule (includes option strategies if applicable - see Item 8 - Investment Strategies):

Annual Fee for Assets Under Management

<u>Marginal Rates (for calculation)</u>	<u>Effective Rates (for illustration)</u>
1.00% of the first \$250,000, then	1.00% on a \$250,000 balance
0.90% of the next \$250,000, then	0.95% on a \$500,000 balance
0.75% of the next \$500,000, then	0.85% on a \$1,000,000 balance
0.65% of the next \$1,000,000, then	0.75% on a \$2,000,000 balance
0.50% of the remaining balances	0.67% on a \$3,000,000 balance.

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

Investment Supervisory Services 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

<u>Marginal Rates (for calculation)</u>	<u>Effective Rates (for illustration)</u>
0.75% of the first \$250,000, then	0.75% on a \$250,000 balance
0.65% of the next \$250,000, then	0.70% on a \$500,000 balance
0.60% of the next \$500,000, then	0.65% on a \$1,000,000 balance
0.55% of the next \$1,000,000, then	0.60% on a \$2,000,000 balance
0.50% of the remaining balances	0.57% on a \$3,000,000 balance.

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

Investment Non-Supervisory Services Only: Our annual fees will be based on the portfolio size, complexity and frequency of review. The fixed amount will typically range from \$500 for a small portfolio with a semi-annual review to \$2,500 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 Supervisory 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 Investment Non-Supervisory Services, 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 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, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, 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 and friends 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.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$2,000 to \$3,000 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.

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. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. If such a fund is used, any charge would be paid to the fund company, not Pebble Valley Wealth Management. 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 Methods 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. Some methods are used by the service providers utilized by the firm, such as **Fundamental, Qualitative** and **Quantitative Analysis**.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

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 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.

Charting. In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

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.

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.

Cyclical Analysis. In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Third-Party Money Manager Analysis. We examine the experience, expertise, investment philosophies, and past performance of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions relative to their stated benchmark. We monitor the

manager's underlying asset classes, strategies and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager's compliance and business enterprise risks.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a third-party manager's portfolio, there is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager's daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

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 to be currently undervalued, and/or
- 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 the option strategies.

Margin transactions. We may purchase securities for your portfolio with money borrowed

from your brokerage account if the client grants the authority. This allows you to purchase more securities than you would be able to with your available cash, and allows us to purchase securities without selling other holdings. There is a cost to the money borrowed and you should only authorize this strategy if the expected return from the security purchased with borrowed money will exceed the cost of borrowing the money.

Option strategies. We may use options as part of an investment strategy if the 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. For each you can buy or sell the 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 you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price. You will already own the security in your portfolio.

We may use "cash-secured puts", in which we sell a put option on security you would like to own at a lower price than the time you sold the put option. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to sell the security to you at an agreed-upon price. You will have the necessary cash for potential purchase in your portfolio.

We may use a "spreading strategy", in which we transact two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you 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 you exposure to a security you want to own with less cash. Buying a put option effectively gives you a potential hedge against specific or similar

securities in the portfolio.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of cash secured puts is that the option buyer does not have to exercise the option, so that if we want to buy the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of buying call options is the option may expire worthless (not exceed the strike price by expiration) and you will lose 100% of the funds invested in the option, though a smaller amount than the security exposure gained through the option.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited, or the potential loss can be realized on the full amount between the two prices that trigger action in the options.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your 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

Kirk A. Kreikemeier does hold an individual life and health insurance license. The purpose for the license is having the ability to secure insurance, if needed, for the client if they prefer not to engage another financial professional to implement the insurance recommendations, if applicable. The need for an insurance agent typically occurs if direct-sold insurance solutions are not available or are deemed to be inferior to a commission-based insurance solution. The client is free to work with any insurance agent but some clients may find additional value in working with one financial professional.

The advisory agreement between Pebble Valley Wealth Management and the client is not dependent in any way on who the client chooses to implement the insurance recommendations. If the client chooses Kirk A. Kreikemeier to implement the insurance recommendations where a commission is involved, the client will be asked to sign a document indicating awareness that: 1) a commission is being paid to Kirk A. Kreikemeier, and 2) the client could have chosen another insurance professional.

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 the 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 other than noted above.

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

Our firm has adopted the *Code of Ethics and Professional Responsibility* (Code of Ethics) that was adopted by the Certified Financial Planner Board of Standards, Inc. which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

The *Code of Ethics* describes the minimum standards of acceptable professional conduct. At the foundation of the *Code of Ethics* are seven principles which express the firm's recognition of their responsibilities to the public, to clients, to colleagues and to employers. Expanding on each principle, practical guidelines derived from the tenets of the principles are offered. Advisory opinions are issued from time to time to interpret the *Code of Ethics'* requirements.

The Code of Ethics consists of two parts: Part I - Principles and Part II - Rules. The Principles are statements expressing in general terms the ethical and professional ideals that the firm is expected to display in their professional activities. As such, the Principles are aspirational in character but are intended to provide a source of guidance. The comments following each Principle further explain the meaning of the Principle. The Rules in Part II provide practical guidelines derived from the tenets embodied in the Principles. As such, the Rules describe the standards of ethical and professionally responsible conduct expected of the firm in particular situations. This Code of Ethics does not undertake to define standards of professional conduct of the firm for purposes of civil liability.

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.

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, or by calling us at 708-246-2366.

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

Pebble Valley Wealth Management and individuals associated with our firm are prohibited from engaging in agency cross 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 advisor that hold the same security.

Item 12 Brokerage Practices

For discretionary and non-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 does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Item 13 Review of Accounts

INVESTMENT SUPERVISORY SERVICES ("ISS") AND NON-SUPERVISORY SERVICES

INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual 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 quarterly reports summarizing account performance, balances and holdings.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

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

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 place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

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 is deemed to have custody, we are also required to disclose any financial condition that is reasonable 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®; Certified Financial Planner(R); 2011

The program is administered by the Certified Financial Planner Board of Standards Inc. Those with the CFP® 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 or her time. Substantial is deemed to be 10% or more.

Kirk A. Kreikemeier does hold an individual life and health insurance license. The purpose for the license is having the ability to secure insurance, if needed, for the client if they prefer not to engage another financial professional to implement the insurance recommendations, if applicable. The need for an

insurance agent typically occurs if direct-sold insurance solutions are not available or are deemed to be inferior to a commission-based insurance solution. The client is free to work with any insurance agent but some clients may find additional value in working with one financial professional.

The advisory agreement between Pebble Valley Wealth Management and the client is not dependent in any way on who the client chooses to implement the insurance recommendations. If the client chooses Kirk A. Kreikemeier to implement the insurance recommendations where a commission is involved, the client will be asked to sign a document indicating awareness that: 1) a commission is being paid to Kirk A. Kreikemeier, and 2) the client could have chosen another insurance professional.

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.

Please refer to Item 10, "Other Financial Industry Activities and Affiliations", for information regarding other business activities of the firm and its management personnel.