



**Waterway Wealth Management, L.L.C.**  
*Wrap Fee Program Brochure*

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March 2021  
(Item 1)

This wrap fee program brochure provides information about the qualifications and business practices of Waterway Wealth Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at 281-363-0000. 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 Waterway Wealth Management, L.L.C. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **MATERIAL CHANGES (ITEM 2)**

The last annual update of this brochure was in March 2020. Since that update, the following material changes have occurred:

- We applied for and received a Paycheck Protection Plan (PPP) loan of \$158,365. The full amount of the loan has been forgiven.
- We have raised the fee for relationships above \$5 million for new clients.

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## SERVICES, FEES AND COMPENSATION (ITEM 4)

### SERVICES

#### Advisory Firm Description

Waterway Wealth Management, L.L.C. ("WWM", "we" or the "Firm") has been in business since July 2012. Daniel Paul Michalk is the sole owner. We provide investment advisory services, which include comprehensive wealth management and financial planning services.

#### Wrap Fee Program Description

The WWM Wrap Fee Program (the "Program") is a fee-only investment management program we sponsor in which we pay all transaction expenses the custodian charges accounts that we manage. The Program provides families, individuals, pension and profit-sharing plans, trusts and estates the ability to trade in individual debt and equity securities, mutual funds, index funds, exchange-traded funds, options and other eligible securities without incurring separate brokerage commissions or transaction charges.

Our investment management service includes:

- Determining clients' investment goals
- Evaluating current assets
- Determining projected cash flow needs
- Determining any investment constraints
- Determining client risk tolerance
- Developing an asset allocation, including specific investment recommendations
- Placing trades in the client's account as appropriate
- Establishing the investment account
- Ongoing client support for transfer assistance portfolio monitoring, and
- Quarterly reports

#### Comprehensive Wealth Management

We also provide a customized service to families or individuals requiring the Firm to take a much more integrated role in coordinating a client's financial picture. This service includes some or all of the following:

- Financial planning
- Investment management
- Interviewing, selecting and overseeing:
  - Accountants
  - Mortgages
  - Banking relationships
  - Tax planning and filing
  - Estate planning

We also provide financial planning services that are separate from the Program. Please refer to our Form ADV Part 2A for more information on those services.

## FEES and COMPENSATION

### Program Fees

Clients in the Program pay a single annualized fee for participation in the Program (the "Program Fee") as shown in the table below. The Program Fee is negotiable and may be adjusted based on the complexity of each client's individual situation. For existing clients, our fee for investment advisory services is assessed at the annual rate shown on the client's agreement. Accounts owned by members of the same family (often extended family) are usually aggregated in order to grant the lowest fee to all family members, generally with a family minimum of \$1,000,000 of assets under management. Fees are deducted from each member's account on a pro rata basis and clients may direct us to deduct fees from a different account. WWM's fee structure for new clients follows:

Assets Under Management	Annual Wrap Program Fee
\$1,000,000 to \$3,000,000	1.00%
\$3,000,001 to \$5,000,000	0.90%
Greater than \$5,000,000	0.80%

Fees are billed quarterly in advance at the rate of one fourth of the annual fee shown above, with the rate based on the aggregate value of all managed accounts belonging to a family. Fees charged to each account for the next quarter are calculated based on the portfolio valuation as determined by our portfolio management software, including cash and accrued interest, as of the close of market on the last business day of the previous quarter. Additional deposits and withdrawals of funds and/or securities to the Program may be made to the account at any time, and do not result in fee adjustments retroactively. Program Fees are calculated pro rata for partial billing periods (for new or closed accounts) based upon the initial value of the assets in the account and the number of days remaining in the calendar quarter. This fee calculation is computed by Black Diamond, the Firm's portfolio management software, which receives a daily valuation of securities from the account custodian or an independent pricing service.

Because we have a long history of serving our clients and pride ourselves on serving clients' needs individually, different clients are on different fee schedules. This means that some clients are paying more (or less) than other clients with the same amount of assets under management. We do not differentiate the investment management service we provide to clients based on each client's fee schedule or structure.

Our Investment Advisory Agreement and the client's agreement with the custodian authorize the custodian to deduct the Program Fee from the client's account and remit it directly to us. In arrangements where the Program Fee is deducted directly from the client's account, the custodian will send the client a statement, at least quarterly, indicating all amounts disbursed from the client's account, including the amount of the Program Fee paid directly to us. This fee deduction is deemed a form of custody by the Securities and Exchange Commission, although all client securities, investments and funds are held by an outside custodian. Please see our Form ADV 2A for additional discussion of our possibly having custody of client assets.

## **Comprehensive Wealth Management Fees**

Because of the differing nature of each family's needs, Comprehensive Wealth Management is provided on a proposal basis, where the Firm outlines to the family (or individual) what will be provided and at what price. An agreement for Comprehensive Wealth Management, which will contain the proposal as an addendum, will be executed and will show exactly what services the client will receive from the Firm, any reports and regular meetings, and what fees the client will be paying. These fees (and associated services) are included in the client's Annual Program Fee.

## **Fee Comparison**

Under the Program, clients receive both investment advisory services and the execution of transactions in eligible securities for a single, combined annualized fee, the Program Fee. Participation in the Program may cost the client more or less than purchasing such services separately elsewhere. For example, the Program Fee, which is fixed regardless of the number of transactions occurring in the account, may be more or less than paying for execution on a per-transaction basis and paying a separate fee for advisory services. We do not charge our clients higher advisory fees based on the Firm's trading activity. Clients should be aware that we may have an incentive to limit the Firm's trading activities in the clients' accounts because we are charged transaction fees or commissions for trades we execute in clients' accounts.

The WWM Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs. We receive the entire Program Fee, and then reimburse the custodian for the transaction fees and any other charges the Firm incurred on behalf of a managed client account (if any) during the prior quarter. Thus, we receive and retain the majority of the quarterly Program Fee. We offer only the Program to our clients in order to eliminate client concerns regarding variable transaction costs.

## **Additional Costs**

The Program Fee includes transaction fees charged by the custodian on client accounts we manage. Deferred sales charges, odd-lot differentials, transfer taxes and other fees that the custodian charges the accounts will be paid by the client. Any additional charges (which would be at the client's request) to the account by the custodian are paid by the client. These additional fees would be for items such as requesting paper certificates.

When we recommend a mutual fund, ETF or money market fund for a client's account, two separate fees may be charged to the client, either directly or indirectly. The first fee, which is direct, is our investment management fee where the fund is included in the asset base for the quarterly fee calculation. The second fee, which is indirect, is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund's prospectus, which is provided to each client by the custodian.

## **Other Compensation for Participation in Wrap Fee Program**

We recommend various qualified custodians for clients. We have a custodial arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity"). We may also recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a registered

broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. We prefer that clients in need of brokerage and custodial services use either Fidelity or Schwab, as they provide a number of resources and services that are helpful both to our clients and to us.

### Fidelity

Fidelity provides us with "institutional platform services." These include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help us manage and further develop our advisory practice. Such services include, but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom we may contract directly. We receive these benefits because of our clients' relationships with Fidelity, but have no formal soft dollar arrangements and receive no compensation from Fidelity. These benefits provided by Fidelity might assist us with the administration of client accounts, and thus slightly help our profitability, creating a potential conflict of interest with clients. We believe this is not a material conflict.

### Schwab

Schwab provides us with access to institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge so long as a total of at least \$10 million of our clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained at Schwab, there is not a separate custody fee, but rather Schwab is compensated through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to us other products and services that benefit us but may not benefit our clients' accounts. These benefits may include national, regional or specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of our personnel by Schwab Advisor Services personnel, including meals, some of which may accompany educational opportunities. Other products and services that assist us in managing and administering clients' accounts include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (such as allocation of aggregated trade orders for multiple client accounts), provide

research, pricing information and other market data, facilitate payment of our fees from our clients' accounts, and assist with back-office training, support functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available other services intended to help us manage and further develop our business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to us by independent third parties. Schwab Advisor Services may, but currently does not, discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to WWM. While, as a fiduciary, we endeavor to act in our clients' best interests, our recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to us of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

The final decision to custody assets with Schwab or Fidelity is at the discretion of our clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. We are independently operated and owned and are not affiliated with Fidelity or Schwab.

We recommend Fidelity or Schwab as "qualified custodians" for clients' accounts, with each client signing a separate agreement with Fidelity or Schwab. In recommending a custodian, we consider the range and quality of the products the custodian offers, the technical support provided, execution quality, commission rates, the financial responsibility and responsiveness of the custodian to us and to our clients. We recognize our responsibility to attain best execution and recognize that limiting our custodial relationships may affect our ability to provide best execution on a trade-by-trade basis. However, we evaluate each custodial relationship in assessing best execution on a client-by-client basis.

## **PORTFOLIO REQUIREMENTS AND TYPES OF CLIENTS (ITEM 5)**

### **PORTFOLIO REQUIREMENTS**

We prefer an initial minimum investment amount, generally aggregating all accounts belonging to a set of family members, of \$1,000,000. We reserve the right to waive or lower this minimum. Our Albuquerque branch office reserves the right to lower the account minimum for services provided at that location.

### **TYPES OF CLIENTS**

WWM provides investment supervisory services and manages investment advisory accounts for:

- families and individuals,
- high net worth individuals,
- pension and profit sharing plans,
- trusts and estates



## **PORTFOLIO MANAGER SELECTION AND EVALUATION (ITEM 6)**

We are the only portfolio manager for the Program described in this wrap fee program brochure. We do not offer access to additional portfolio managers, but offer one fee to our clients in order to eliminate concerns regarding variable transaction costs. To the extent that we receive the Program Fee as a result of recommending itself, we are in a conflict of interest with our clients.

## **ADDITIONAL FIRM INFORMATION**

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Side-by-side management would apply only if we managed both accounts paying performance fees and accounts not paying such fees. We do not receive performance-based fees on any accounts we manage.

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

WWM uses a combination of the following types of analysis in evaluating investments for client accounts:

- Charting—Analysis of charts of past stock performance
- Fundamental—Analysis of financial attributes of a company, such as revenue growth, debt to equity ratio, inventory turnover, etc.
- Technical—Analysis which assumes past performance is a predictor of future performance
- Cyclical—Analysis based on business, industry, calendar or historical cycles

Investment strategies for client accounts are structured to meet each client's objective.

#### Core Strategy

Our Core strategy is a mix comprised of no load mutual funds and ETFs, which are allocated as appropriate for each client. All clients have a portion of their total portfolio invested in this strategy. As client needs vary, additional strategies ("Satellite Strategies") are added. Risks to this strategy include market risk and expenses that would not be incurred if a client should invest directly in the underlying securities.

#### Core Plus Strategy

Clients requiring special tax planning and income may participate in this strategy, which invests in 20 to 25 individual equities. In the Core Plus Strategy, fewer positions are held than in the Core Strategy making the potential concentration or unique risk higher. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Clients with additional income needs who participate in the Core Plus Strategy may use our Call Strategy, also referred to as a "buy-write" strategy. Our Call Strategy buys the stocks owned in the Core Plus Strategy and writes (or sells) call options that tracks the S&P 500 Index. This strategy is used to enhance returns under certain market conditions and to reduce volatility through the collection of call premiums. In down markets, the option premium generated

cushions price decline in the underlying stock positions. The trade-off is that in strong equity markets, the upside potential of the equity position(s) is/are limited.

### Private Equity Strategy

Clients willing to forego liquidity in hopes of increased returns may be offered to participate in private issues investing in real estate and other hard assets. These investments are illiquid, and may not be converted to cash for several, or extended, years. Illiquid investments are investments that are not heavily traded and cannot easily be converted to cash. If any of our clients requires cash and we must sell illiquid investments at an inopportune time, we might not be able to sell illiquid investments at prices that reflect our assessment of their value or the amount paid for them and are likely to incur significant penalty fees. Additionally, investors in private issues may be more limited in their ability to rebalance relative to a more liquid portfolio and in some cases incur higher fees paid to the underlying managers. Investing in securities involves risk of loss that clients should be prepared to bear.

## **VOTING CLIENT SECURITIES**

We do not vote client proxies for securities held in client accounts. Clients receive proxy information directly from the custodians by email or US mail, and may contact us for assistance in voting on any particular issue.

## **CLIENT INFORMATION PROVIDED TO WATERWAY WEALTH MANAGEMENT (ITEM 7)**

After an analysis of the information provided by the client, we assist our clients in developing an appropriate investment strategy for the assets in his/her account (the "Investment Strategy"). Thereafter, we contact clients regularly, requesting information regarding changes to their financial situation or investment objectives. We periodically reassess the current Investment Strategy based on any other information provided by the client regarding his/her client profile.

The agreement that clients enter with us provides that the client grants us complete discretion (through a limited power of attorney) to determine both the securities purchased and sold and the amounts of those purchases and sales. Clients may place restrictions on our discretion in writing. If clients choose to participate in private issues, the client will execute the subscription documents.

## **CLIENT CONTACT WITH WATERWAY WEALTH MANAGEMENT (ITEM 8)**

All clients are encouraged to contact or meet on a semi-annual basis with us to review their account reports, update their client information and determine whether changes should be made to their Investment Strategy. There are no restrictions on clients to contact or consult with us regarding the Program or their accounts.

## **ADDITIONAL INFORMATION (ITEM 9)**

### **DISCIPLINARY INFORMATION**

There have been no disciplinary actions against us, Daniel Michalk or any other individuals associated with the Firm.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

We have no other financial industry activities or affiliations.

## **CODE OF ETHICS, PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

We have adopted a Code of Ethics, which describes the general standards of conduct that we expect of our personnel (collectively referred to as "employees") and focuses on three specific areas where employee conduct has the potential to adversely affect our clients: misuse of confidential information; personal securities trading and outside business activities. Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination of employment. Any client or prospective client may request a copy of our Code of Ethics, which will be provided at no cost.

The following basic principles guide all aspects of our business and represent the minimum requirements to which we expect employees to adhere:

- Clients' interests come before employees' personal interests and before our interests.
- We must fully disclose all material facts about conflicts of which we are aware between our clients and us. Employees must operate consistently with our disclosures and manage the impacts of those conflicts.
- We must not take inappropriate advantage of our positions of trust or responsibility to our clients.
- We must always comply with all applicable securities laws.

### **Misuse of Nonpublic Information**

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or client securities trades.

### **Personal Securities Trading**

Daniel Michalk and individuals associated with us may buy, sell or hold in their personal accounts the same securities we recommend to our clients. Such trades may occur simultaneously with or after trades placed on behalf of clients and receive average pricing or after client trades, with clients always receiving the same or better pricing.

To avoid conflicts of interest, we have established the following policies:

- An officer, director or employee of WWM shall not buy or sell securities for a personal portfolio when the decision to purchase is substantially derived, in whole or in part, because of employment with us, unless the information is also available to the investing public on reasonable inquiry. No person associated with us shall prefer his or her own interest to that of any client. Employees may participate in block trades.
- Employee accounts are preferred to be held at Fidelity, so we are able to monitor on a daily basis any trades that employees have placed in their personal accounts. If an employee account is held at another custodian, the employee is required to submit monthly statements to the COO for review.

Our Code of Ethics allows the purchase of IPOs or private placements only with prior permission from Daniel Michalk, our Chief Compliance Officer.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with our policies.

### **Outside Business Activities**

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed.

## **REVIEW OF ACCOUNTS**

Daniel Michalk, Managing Member, and Jack Cowling, Portfolio Manager, serve as our Investment Policy Committee. They review portfolio allocations and set model targets at least quarterly. Jack Cowling is responsible for implementing the strategy that is outlined by the Investment Policy Committee for both The Woodlands and the Albuquerque offices. Reviews are conducted as a matter of course at least quarterly and consist of looking at portfolio holdings, cash flows, and market activity in light of client objectives. Additional reviews may be triggered by events such as a client meeting, change in a client's risk tolerance, financial position or investment objective, change in a company or fund's management, unusual market or economic circumstances or other unforeseen events.

We provide clients with quarterly written/electronic statements of portfolio holdings. The custodian provides detailed written statements of realized gains/losses.

## **CLIENT REFERRALS AND OTHER COMPENSATION**

We do not compensate any person outside the Firm directly or indirectly for client referrals.

## **FINANCIAL INFORMATION**

There is no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to its clients.

Due to the economic uncertainty posed by COVID-19, we have applied for and received a PPP loan, in the amount of \$158,365, in order to ensure our ability to retain our highly skilled employees.

### **Client Assets Under Management**

As of December 31, 2020, our Program had \$421,422,639 of discretionary assets under management.

## **Termination**

The typical Program agreement we enter into with clients allows either party to terminate the agreement immediately upon receipt of written notice. The client may terminate the agreement without penalty or fees within five (5) business days after entering the agreement. Otherwise, at the date of termination, the Firm agrees to refund any prepaid unearned fees to the client on a pro rata basis which is calculated by counting the actual days the assets were under our management over the actual days in the quarter. Any fees due to outside parties which Waterway has engaged on behalf of the client will be paid promptly by the client. The Firm will provide clients of the Program services with summary statements on a year-to-date basis upon termination.



**Waterway Wealth Management, L.L.C.**  
*ADV 2A (Firm Brochure for financial planning)*

*Please see our Wrap Brochure for information about our  
investment advisory services.*

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## **Material Changes (Item 2)**

The last annual update to this brochure was filed in March 2020. Since that update, the following material changes have occurred:

- We applied for and received a Paycheck Protection Plan (PPP) loan of \$158,365. The full amount of the loan has been forgiven.
- We have raised the fee for relationships above \$5 million for new clients.

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## ADVISORY BUSINESS (ITEM 4)

### Advisory Firm Description

Waterway Wealth Management, L.L.C. ("WWM", "we" or the "Firm") has been in business since July 2012. Daniel Paul Michalk is the sole owner.

### Types of Advisory Services

We believe financial planning is an integral part of wealth management for individuals and families.

#### *Financial Planning Services*

In analyzing each client's individual needs, we provide a variety of financial planning services. We first conduct a complimentary initial consultation when we collect pertinent information about the client's financial circumstances and objectives. The information normally covers, but is not limited to, present and anticipated assets and liabilities, retirement goals, investment horizon, financial needs and cost of living needs. Once we have reviewed and analyzed this information, we produce and present the client with a customized written financial plan designed to achieve the client's stated financial goals and objectives.

#### *Investment Advisory Services*

We also offer investment advisory services, which are separately disclosed in our Wrap Fee brochure. The WWM Wrap Fee Program (the "Program") is a fee-only investment management program we sponsor, and in which we pay for all transaction expenses the custodian charges accounts we manage. *Please see the Wrap Fee brochure for particulars of this Program.*

### Client Assets Under Management

As of December 31, 2020, we had \$421,422,639 of discretionary assets under management.

## FEES AND COMPENSATION (ITEM 5)

We charge financial planning fees as follows, subject to negotiation depending on the nature, complexity and time involved in providing the client with requested services:

#### *Fixed Fees*

We will charge a fixed fee, which typically ranges between \$3,500 and \$10,000 for comprehensive financial planning services. This fee may be negotiated, is determined at the onset of the engagement and depends upon the complexity of the client's needs and the scope of the financial planning services required to meet those needs. This fee is charged one-half up front and one-half upon completion of the plan, with plans generally being completed within 90 days. *In limited circumstances*, the total cost could potentially exceed this fixed amount, which is directly dependent upon the complexity of the contracted service. In such cases, we will notify the client and may request that the client pay an additional fee.

#### *Hourly Fees*

In circumstances where discrete financial planning advice is needed, we occasionally will charge an hourly consultation fee, which ranges between \$100 and \$300, depending on the nature of the contracted services. These consultation fees are due immediately upon completion of the consultation.

### *Wrap Program Fees*

Clients in the Program pay a single annualized fee for participation in the Program (the "Program Fee") as shown in the table below. The Program Fee is negotiable and may be adjusted based on the complexity of each client's individual situation. For existing clients, our fee for investment advisory services is assessed at the annual rate shown on the client's agreement. Accounts owned by members of the same family (often extended family) are usually aggregated in order to grant the lowest fee rate to all family members, generally with a family minimum of \$1,000,000 of assets under management. Fees are deducted from each member's account on a pro rata basis and clients may direct us to deduct fees from a different account. WWM's fee structure for new clients follows:

<b>Assets Under Management</b>	<b>Annual Wrap Program Fee</b>
\$1,000,000 to \$3,000,000	1.00%
\$3,000,001 to \$5,000,000	0.90%
Greater than \$5,000,000	0.80%

We bill quarterly in advance at the rate of one fourth of the annual fee shown above, with the rate based on the aggregate value of all accounts belonging to a family. Fees charged to each account for the next quarter are calculated based on the portfolio valuation, including cash and accrued interest, as of the close of market on the last business day of the previous quarter. Additional deposits and withdrawals of funds and/or securities to the Program may be made to the account at any time, and do not result in fee adjustments retroactively. Program Fees are calculated pro rata for partial billing periods (for new or closed accounts) based upon the initial (or ending) value of the assets in the account and the number of days those assets were under management over the actual number of days in the quarter. All investment management fee calculations are computed by Black Diamond, our portfolio management software, which receives a daily valuation of securities from the account custodian or an independent pricing service.

Because we have a long history of serving our clients and pride ourselves on serving clients' needs individually, different clients are on different fee schedules, paying different rates on the same amount of assets. This means some clients pay more (or less) than other clients with the same amount of assets under management. We do not differentiate our investment management service we provide to clients based on each client's fee schedule or structure.

The Program Fee includes transaction fees charged by the custodian on client accounts we manage. We pay the custodians for transaction fees in our clients' accounts, creating a potential conflict of interest between our interests and those of our clients. This arrangement incentivizes us to minimize trades we place for clients and is mitigated by our complying with required standards of conduct to act in our clients' best interest. The client is responsible to pay deferred sales charges, odd-lot differentials, transfer taxes and other fees the custodian charges the accounts. Any additional charges (which would be at the client's request) to the account by the custodian are paid by the client. These additional fees would be for items such as requesting paper certificates.

When we recommend a mutual fund, ETF or money market fund for a client's account, two separate fees may be charged to the client, either directly or indirectly. The first fee, which is direct, is our investment management fee where the fund is included in the asset base for the quarterly fee calculation. The second fee, which is indirect, is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund's prospectus, which is provided to each client by the custodian.

## Termination

The typical agreement we enter into with clients allows for either party to terminate the agreement immediately upon receipt of written notice. The client may terminate their agreement without penalty within five (5) business days after entering the agreement. Otherwise, at the date of termination, the client agrees to pay fees due the Firm based on time expended to date on the financial plan or the Firm will refund any prepaid planning or investment management fees which have not yet been earned.

## PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT (ITEM 6)

We do not charge any performance-based fees or engage in side-by-side management.

## TYPES OF CLIENTS (ITEM 7)

We provide investment advisory services to:

- Individuals
- High net worth individuals
- Pension and profit sharing plans
- Trusts and estates

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS (ITEM 8)

*We do not invest for clients in our financial planning role. Please see our Wrap Brochure for particulars about our investment advisory services.*

The financial planning process involves the collection, organization and assessment of all relevant client data, as well as identification of the client's financial concerns, goals and objectives. The primary objective of this process is to allow us to assist the client in developing a strategy for the successful management of income, assets and liabilities in meeting the client's long-term financial goals and objectives.

Financial plans are based on the client's financial situation at the time the plan is presented and are based on financial information disclosed by the client. We cannot offer any guarantees or promises that the client's financial goals and objectives will be met. As the client's financial situation, goals, objectives or needs change, the client must notify us promptly.

Clients are advised that financial plans do not guarantee investment results. Investment assumptions included in a financial plan are not guaranteed and should be monitored based on each client's individual risk tolerance, time horizon and portfolio allocation.

## **DISCIPLINARY INFORMATION (ITEM 9)**

There have been no disciplinary actions against the Firm, our employees or Daniel Michalk.

## **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS (ITEM 10)**

We have no other financial industry activities or affiliations.

## **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING (ITEM 11)**

### **Code of Ethics**

We have adopted a Code of Ethics, which describes the general standards of conduct that we expect of all personnel (collectively referred to as "employees") and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- Misuse of nonpublic information
- Personal securities trading
- Outside business activities

Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination of employment. Any client or prospective client may request a copy of our Code of Ethics, which will be provided at no cost.

The following basic principles guide all aspects of our business and represent the minimum requirements to which we expect employees to adhere:

- Clients' interests come before employees' personal interests and before our interests.
- We must fully disclose all material facts about conflicts of interest of which we are aware between clients and us as well as between our employees and clients.
- Employees must operate consistently with our disclosures and manage the impacts of those conflicts.
- We, including our employees, must not take inappropriate advantage of our positions of trust with or responsibility to clients.
- We, including our employees, must always comply with all applicable securities laws.

### *Misuse of Nonpublic Information*

The Code of Ethics contains a policy against the use of nonpublic information in conducting our business. Employees may not convey nonpublic information nor depend upon it in placing personal or recommending clients' securities trades.

### *Personal Securities Trading*

Our employees may buy, sell or hold in their personal accounts the same securities we recommend to clients. This creates a potential conflict of interest with the possibility of our personnel obtaining a better price than clients obtain. To mitigate this conflict, such trades may occur on the same day at the same time receiving average pricing or after the client with the client receiving the same or better pricing. The purchase of IPOs or private placements is

allowed with prior permission from Daniel Michalk, our Chief Compliance Officer. We do not allow front-running client trades.

Employees are required to submit reports of personal securities trades on a quarterly basis, and securities holdings annually. These are reviewed by the Chief Compliance Officer to ensure compliance with our policies.

#### *Outside Business Activities*

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed, or the employee will be directed to cease this activity.

### **BROKERAGE PRACTICES (ITEM 12)**

In its financial planning role, we do not recommend brokers for clients.

For the Program, we recommend various qualified custodians for clients. We have an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") in which we recommend clients use their custodial services. WWM may also recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. We prefer that clients in need of brokerage and custodial services use either Fidelity or Schwab, as they provide a number of resources and services which are helpful both to us and to our clients.

#### Fidelity

Fidelity provides us with "institutional platform services." These include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help us manage and further develop our advisory practice. Such services include, but are not limited to, performance reporting, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom we may contract directly. We receive these benefits because of our clients' relationships with Fidelity but have no formal soft dollar arrangements and receive no compensation from Fidelity. These benefits provided by Fidelity might assist us with the administration of client accounts, and thus slightly help our profitability, creating a potential conflict of interest with clients. We believe this is not a material conflict.

#### Schwab

Schwab provides us with access to institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent

investment advisors on an unsolicited basis, at no charge so long as a total of at least \$10 million of our clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained at Schwab, there is not a separate custody fee, but rather Schwab is compensated through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to us other products and services that benefit us but may not benefit our clients' accounts. These benefits may include national, regional or specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of our personnel by Schwab Advisor Services personnel, including meals, some of which may accompany educational opportunities. Other products and services that assist us in managing and administering clients' accounts include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (such as allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of our fees from our clients' accounts, and assist with back-office training, support functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available other services intended to help us manage and further develop our business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to us by independent third parties. Schwab Advisor Services may, but currently does not, discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to WWM. While, as a fiduciary, we endeavor to act in our clients' best interests, our recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to us of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

The final decision to custody assets with Schwab or Fidelity is at the discretion of our clients, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. We are independently operated and owned and are not affiliated with Fidelity or Schwab.

We recommend Fidelity or Schwab as "qualified custodians" for clients' accounts, with each client signing a separate agreement with Fidelity or Schwab. In recommending a custodian, we consider the range and quality of the products the custodian offers, the technical support provided, execution quality, commission rates, the financial responsibility and responsiveness of the custodian to us and our clients. We recognize our responsibility to attain best execution and recognize that limiting our custodial relationships may affect our ability to provide best execution on a trade-by-trade basis. However, we evaluate each entire custodial relationship in assessing best execution on a client-by-client basis.

### **REVIEW OF ACCOUNTS (ITEM 13)**

We attempt to meet with clients on at least an annual basis, with the meeting covering both financial plan and investment management aspects. Daniel Michalk, Managing Member, Robert Dwyer, Sr. Financial Planner, and Jack Cowling, Portfolio Manager, conduct all financial plan reviews for The Woodlands office. David Michalk, Investment Advisor Representative, reviews financial plans for the Albuquerque branch office. A customized written financial plan is produced and presented to each client, with the exception of hourly consultations, which may or may not result in a written document.

### **CLIENT REFERRALS AND OTHER COMPENSATION (ITEM 14)**

The Firm does not pay outside individuals or entities for referring clients.

### **CUSTODY (ITEM 15)**

Custody is defined as having access to the assets in a client's account. Because our clients allow us to direct the account custodians to deduct our management fees from their accounts, we are deemed to have a form of custody of those accounts. Additionally, several clients have established written standing instructions with Schwab or Fidelity which allow clients to direct us to send funds from their account to other accounts without obtaining the client's signature before each transfer. Therefore, we have a form of custody over these accounts since the amount and/or timing of these transfers are not pre-defined. However, these accounts are not required to be surprise examined by a public accounting firm.

### **INVESTMENT DISCRETION (ITEM 16)**

We do not manage accounts in its financial planning role so does not have investment discretion.

### **VOTING CLIENT SECURITIES (ITEM 17)**

In its financial planning role, we do not vote proxies for clients.

### **FINANCIAL INFORMATION (ITEM 18)**

There is no financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients.

Due to the economic uncertainty posed by COVID-19, we have applied for and received a PPP loan, in the amount of \$158,365, in order to ensure our ability to retain our highly skilled employees.

**Daniel P. Michalk, CFP<sup>®</sup>, ChFC**



**Waterway Wealth Management, L.L.C.**

21 Waterway Avenue, Suite 500  
The Woodlands, TX 77380

281.363.0000  
dan@waterwaywealth.com

March 2021

This brochure supplement provides information about Daniel P. Michalk that supplements the Waterway Wealth Management, L.L.C. brochure. You should have received a copy of that brochure. Please contact Daniel Michalk at 281.363.0000 if you did not receive Waterway Wealth Management, L.L.C.'s brochure or if you have any questions about the contents of this supplement.

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



## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

### **Daniel P. Michalk, CFP®, ChFC, born 1970**

Daniel P. Michalk graduated from Texas A&M with a B.S. in mechanical engineering. In 1994, Dan began working in the financial planning industry. He is a CERTIFIED FINANCIAL PLANNER™, a designation granted by the CFP® Board of Standards, Denver, Colorado and a Chartered Financial Consultant (ChFC), a designation granted by the American College of Bryn Mawr, Pennsylvania.

Dan is a member of the Financial Planning Association (FPA). He has lived in The Woodlands since 1995 with his wife, Lisa, and his three boys and is active in the community through many volunteer and charitable organizations.

#### *Business Background:*

Waterway Wealth Management, L.L.C., Managing Member and Chief Compliance Officer, (June 2012 – present)

Heritage Wealth Management, Inc., President and Chief Compliance Officer  
(July 2002 – December 2012)

AIG Financial Advisors, Registered Representative (July 2002 – April 2006)

Lutheran Brotherhood Securities Corp., Registered Representative (December 1994 – June 2002)

Lutheran Brotherhood Securities Corp., District Representative (August 1994 – June 2002)

#### *Education:*

Texas A&M, B.S. Mechanical Engineering, (1993)

College of Financial Planning, Denver, CO, CFP®, (2000)

American College, Bryn Mawr, PA, ChFC (Chartered Financial Consultant professional designation), (2001)

Chartered Financial Analyst Designation, CFA (2021)

#### Chartered Financial Analyst Charter

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute—the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

#### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity

- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### ***Global Recognition***

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### ***Comprehensive and Current Knowledge***

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

### ***Certified Financial Planner® Certification***

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education, (2) stringent code of conduct and standards of practice and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary.
- Examination – Pass the comprehensive CFP® Certification Examination.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years.
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### Chartered Financial Consultant Designation

The Chartered Financial Consultant® (ChFC) designation program focuses on the comprehensive financial planning process as an organized way to collect and analyze information on a client's total financial situation; to identify and establish specific financial goals; and to formulate, implement, and monitor a comprehensive plan to achieve those goals.

The ChFC program provides financial planners and others in the financial services industry with in-depth knowledge of the skills needed to perform comprehensive financial planning for their clients.

To earn this designation, an eight-course examination must be passed. Designations are usually attained within 15-24 months. Three years of business experience immediately preceding the date of use of the designation is required. Each designee must also complete 30 hours of continuing education every two years.

#### **DISCIPLINARY INFORMATION**

Daniel P. Michalk has no disciplinary or legal events to disclose.

#### **OTHER BUSINESS ACTIVITIES**

Daniel P. Michalk is not actively engaged in any other investment-related business or occupation.

#### **ADDITIONAL COMPENSATION**

Daniel P. Michalk does not receive any economic benefit from a non-client for providing advisory services.

#### **SUPERVISION**

Daniel P. Michalk is a principal of the Firm and is not supervised.

**Robert B. Dwyer, CFP®**



**Waterway Wealth Management, L.L.C.**

21 Waterway, Suite 500  
The Woodlands, TX 77380  
281.363.0000  
robert@waterwaywealth.com

March 2021

This brochure supplement provides information about Robert Dwyer that supplements the Waterway Wealth Management, L.L.C. brochure. You should have received a copy of that brochure. Please contact Daniel Michalk at 281-363-0000 if you did not receive Waterway Wealth Management, L.L.C.'s brochure or if you have any questions about the contents of this supplement.

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

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

### **Robert B. Dwyer, CFP<sup>®</sup>, born 1971**

Robert B. Dwyer graduated from Texas A&M University with a B.B.A., double major in Finance and Accounting. He is a proud member of the Fightin' Texas Aggie Class of 1995. He began working in the financial planning industry in 1997. Robert is a member of the Financial Planning Association (FPA). He earned his CERTIFIED FINANCIAL PLANNER<sup>™</sup> designation in 2004.

Robert currently serves as Scout Master of his son's Boy Scout Troop 424 in Katy. Past activities include 2004 President, 2005 Chairman of the Reveille Club of Houston and Nation Chief (President) of Katy YMCA Indian Guides/Princess program. He and his family are members of Grand Lakes Presbyterian Church.

#### *Business Background:*

Waterway Wealth Management, L.L.C., Financial Planner, (January 2013 – present)  
Heritage Wealth Management, Inc., Financial Planner, (December 2009 – December 2012)  
Chase Investment Services Corp., Financial Advisor, (June 2005 – November 2009)  
Wells Fargo Investments, LLC, Financial Consultant, (February 2002 – June 2005)

#### *Education:*

Texas A&M, B.B.A, Finance and Accounting, (1995)  
CFP<sup>®</sup> designation, (2004)

#### *Certified Financial Planner<sup>®</sup> Certification*

The CFP<sup>®</sup> certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP<sup>®</sup> certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education, (2) stringent code of conduct and standards of practice and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP<sup>®</sup> marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary.
- Examination – Pass the comprehensive CFP<sup>®</sup> Certification Examination.
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year).
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP<sup>®</sup> professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP<sup>®</sup> marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years.
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

#### **DISCIPLINARY INFORMATION**

Robert B. Dwyer has no disciplinary or legal events to disclose.

#### **OTHER BUSINESS ACTIVITIES**

Robert B. Dwyer is not actively engaged in any other investment-related business or occupation.

#### **ADDITIONAL COMPENSATION**

Robert B. Dwyer does not receive any economic benefit from a non-client for providing advisory services.

#### **SUPERVISION**

Robert B. Dwyer is supervised by Daniel P. Michalk, a principal of the Firm, who can be reached at 281.363.0000

## **Jack D. Cowling, CFA**



### **Waterway Wealth Management, L.L.C.**

21 Waterway Avenue, Suite 500  
The Woodlands, TX 77380

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March 2021

This brochure supplement provides information about Jack D. Cowling that supplements the Waterway Wealth Management, L.L.C. brochure. You should have received a copy of that brochure. Please contact Daniel Michalk at 281.363.0000 if you did not receive Waterway Wealth Management, L.L.C.'s brochure or if you have any questions about the contents of this supplement.

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

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

### **Jack D. Cowling, CFA, born 1971**

Jack D. Cowling graduated from the University of North Florida with a B.B.A. in Finance. He began working in the financial services industry in 1993. He earned the Chartered Financial Analyst (CFA) from the CFA Institute and is currently a member of the CFA Society of Houston.

Jack and his wife live with their son Liam in The Woodlands. He enjoys playing t-ball or soccer on the weekends with his son and is also a supporter of the arts. Prior to moving to the Houston area and The Woodlands, Jack served on the Fine Arts Council for the Austin Diocese, the Executive Committee for the Austin Lyric Opera and co-Chair of the Austin Lyric Opera Endowment Corporation.

#### *Business Background:*

Waterway Wealth Management, L.L.C., Portfolio Manager, (April 2019 – present)

Altruvista LLC, Portfolio Manager, (November 2015 – April 2019)

Cinque Partners, LLC, Partner, Sr. Portfolio Manager, (February 2012-November 2015)

Wells Fargo Alternative Asset Management, Sr. Investment Manager, (August 2001 – February 2012)

#### *Education:*

Bachelor's Degree in Business Administration, Finance, Summa Cum Laude,  
University of North Florida, Jacksonville, Florida (1993)  
Chartered Financial Analyst Designation, CFA (1999)

#### Chartered Financial Analyst Charter

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute—the largest global association of investment professionals.

There are currently more than 90,000 CFA charterholders working in 135 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

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- Place their clients' interests ahead of their own
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- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters



### ***Global Recognition***

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Additionally, regulatory bodies in 19 countries recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### ***Comprehensive and Current Knowledge***

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession.

### **DISCIPLINARY INFORMATION**

Jack D. Cowling has no disciplinary or legal events to disclose.

### **OTHER BUSINESS ACTIVITIES**

Jack D. Cowling is not actively engaged in any other investment-related business or occupation.

### **ADDITIONAL COMPENSATION**

Jack D. Cowling does not receive any economic benefit from a non-client for providing advisory services.

### **SUPERVISION**

Jack D. Cowling is supervised by Daniel P. Michalk Managing Member and Chief Compliance Officer.

**David C. Michalk, ChFC**



**Waterway Wealth Management, L.L.C.**

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March 2021

This brochure supplement provides information about David C. Michalk that supplements the Waterway Wealth Management, L.L.C. brochure. You should have received a copy of that brochure. Please contact Daniel Michalk at 281.363.0000 if you did not receive Waterway Wealth Management, L.L.C.'s brochure or if you have any questions about the contents of this supplement.

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

## EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

### **David C. Michalk, ChFC, born 1963**

David C. Michalk has been a Financial Advisor in Albuquerque for more than 15 years. He is a Chartered Financial Consultant (ChFC), a designation granted by the American College of Bryn Mawr, Pennsylvania. David graduated from the University of Texas Galveston with a B.S. in Physical Therapy and began working in the financial planning industry in 1997.

David is the current Vice President of Lutherhaven Retreat and a member of Faith Lutheran Church in Albuquerque.

#### *Business Background:*

Waterway Wealth Management, L.L.C., Investment Adviser Representative  
(December 2013 – present)

Thrivent Investment Management Inc., Registered Representative (August 1997 – December 2013)

Thrivent Financial for Lutherans, Financial Associate (August 1997 – December 2013)

#### *Education:*

Concordia Lutheran Austin, Physical Therapy, (1984)

University of Texas Galveston, B.S., Physical Therapy, (1986)

University Mary Hardin Baylor, Athletic Trainer Certification, (1996)

American College, Bryn Mawr, PA, ChFC (Chartered Financial Consultant professional designation),  
(2005)

#### *Chartered Financial Consultant Designation*

The Chartered Financial Consultant® (ChFC) designation program focuses on the comprehensive financial planning process as an organized way to collect and analyze information on a client's total financial situation; to identify and establish specific financial goals; and to formulate, implement, and monitor a comprehensive plan to achieve those goals.

The ChFC program provides financial planners and others in the financial services industry with in-depth knowledge of the skills needed to perform comprehensive financial planning for their clients.

To earn this designation, an eight-course examination must be passed. Designations are usually attained within 15-24 months. Three years of business experience immediately preceding the date of use of the designation is required. Each designee must also complete 30 hours of continuing education every two years.

**DISCIPLINARY INFORMATION**

David C. Michalk has no disciplinary or legal events to disclose.

**OTHER BUSINESS ACTIVITIES**

David C. Michalk has no other business activities. He is the sole owner of Waterway Wealth Management Albuquerque LLC, which is an entity established for tax purposes and conducts no business beyond supporting his work as an investment advisor representative for Waterway Wealth Management, L.L.C.

**ADDITIONAL COMPENSATION**

David C. Michalk does not receive any economic benefit from a non-client for providing advisory services.

**SUPERVISION**

David C. Michalk is supervised by Daniel P. Michalk, a principal of the Firm, who can be reached at 281.363.0000.