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**d/b/a: Wealth Management LAB™**

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**FORM ADV PART 2A**  
**BROCHURE**

This brochure provides information about the qualifications and business practices of Wealth Management LAB™. If you have any questions about the contents of this brochure, contact us at 562-347-0070. 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 Wealth Management LAB™ is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Wealth Management LAB™ is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since the filing of our last annual updating amendment, dated February 15, 2016 we have made the following material changes:

- Our principal place of business and our contact information has changed. Please refer to the cover page for our current address and contact information.
- Our firm has added Discretionary and Non-discretionary Portfolio Management Services, Financial Planning, Financial Consulting, Seminars and Workshops, and Selection of Other Advisers to its offered advisory services. For more information on these services and the fees associated with each service, please refer to Items 4 and 5 of this disclosure brochure.
- The initial fees that were provided for our Portfolio Management Services and for the project based services for our Financial Planning and Financial Consulting Services have changed since these services were first introduced. Please refer to Item 5 of this disclosure brochure for our current fees.
- We are affiliated with Louis Barajas, Inc. and Business Management LAB, Inc., through common control and ownership. Please refer to Item 10 of this brochure for more information on our affiliations.
- Our firm recommends the brokerage and custodial services of TD Ameritrade, Inc. Additionally, we participate in the institutional advisor program offered by TD Ameritrade Institutional. For more information regarding our relationship with TD Ameritrade, Inc., please refer to Item 12.
- Since we added Portfolio Management as an additional service offering, we have also updated our ADV to include our participation in block trading for discretionary advisory accounts we manage. Block trading is not offered to non-discretionary accounts. For more information regarding block trading, please refer to Item 12.
- Our firm is deemed to have custody over certain advisory clients' assets since our firm or persons associated with our firm has signatory and check writing authority for advisory clients through our affiliated business. Please refer to Item 15 of this brochure for more information regarding custody and the controls that we put in place.

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## Item 4 Advisory Business

### Description of Firm

Louis Barajas, LLC d/b/a Wealth Management LAB™ is a registered investment adviser primarily based in Tustin California. We are organized as a limited liability company ("LLC") under the laws of the State of California United States. We have been providing investment advisory services since 1992. We are owned by Louis Barajas.

The following paragraphs describe our services and fees. Refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we," "our," and "us" refer to Wealth Management LAB™ and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

### Portfolio Management Services

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you according to your risk tolerance and investment objectives. We may also invest your assets according to one or more model portfolios developed by an unaffiliated investment manager. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

As discussed above, we may invest your assets according to one or more model portfolios developed by an unaffiliated investment manager. These models are designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative investment approach. Clients whose assets are invested in model portfolios may not set restrictions on the specific holdings or allocations within the model, nor the types of securities that can be purchased in the model.

### Financial Planning Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad-based financial planning to consultative or single subject planning. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we

will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will provide you with recommendations, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the recommendations to you, and on the financial information you provide to us. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

Pursuant to California Code of Regulations, 10 CCR Section 260.235.2, Wealth Management LAB™ hereby makes the following statement: a conflict exists between the interest of Wealth Management LAB™ and the interests of the client. Further, the client is under no obligation to act upon Wealth Management LAB's™ recommendations, and if the client elects to act on any of the recommendations, the client is under no obligation to effect the transactions through Wealth Management LAB™.

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

While the firm endeavors at all times to offer clients its specialized services at reasonable costs, the fees charged by other advisers for comparable services may be lower than the fees charged by Wealth Management LAB™.

### **Financial Consulting Services**

We offer financial consulting services primarily advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation.

### **Seminars and Workshops**

Throughout the year, we may provide seminars and/or workshops to educate the public on different types of investments and investment related topics. These seminars and/or workshops are educational in nature with no specific investment or tax advice offered.

### **Selection of Other Advisers**

We may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPMM(s) will actively manage your portfolio and will assume discretionary investment authority over your account. We will assume discretionary authority to hire and fire TPMM(s) and/or reallocate your assets to other TPMM(s) where we deem such action appropriate.

### **Wrap Fee Programs**

We do not participate in any wrap fee program.

## **Types of Investments**

While we primarily offer advice on mutual funds and exchange traded funds ("ETFs"), we may also offer advice on other types of investments such as bonds, equity securities, certificates of deposit, money market funds, real estate, real estate investment trusts, variable life insurance, variable annuities, and United States government securities. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various other types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

## **Assets Under Management**

As of January 11, 2017, we provide continuous management services for \$0 in client assets on a discretionary basis, and \$35,988,133 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **Portfolio Management Services**

Our fee for portfolio management services is based on either a percentage of the assets in your account ("asset based fee") or on an agreed upon annual fixed fee.

For clients who choose to pay an asset based fee for portfolio management services, the following annual blended fee schedule applies:

#### **Annual Blended Fee Schedule**

<b>Assets Under Management</b>	<b>Annual Fee</b>
First \$500,000	1.50%
Next \$500,000	1.00%
Next \$1,000,000	0.75%
Over \$2,000,000	0.50%

Our asset based fee is billed and payable, quarterly in advance, based on the balance at end of the billing period.

For clients who choose to pay an annual fixed fee for portfolio management services, the fee for this service typically ranges from \$3,000 - \$9,000 and is billed and payable, quarterly in advance.

If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

For asset based fees, we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. For fixed fees, you have the choice to have our fee either directly deducted from your account through the qualified custodian holding your funds and securities or we will send you an invoice directly to pay our fee.

We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, the time period covered by the fee, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian call our main office number located on the cover page of this brochure.

You may terminate the portfolio management agreement upon written notice. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Financial Planning & Financial Consulting Services**

We charge either an hourly fee or a fixed fee for our financial planning and our financial consulting services. In our sole discretion, we may offset our financial planning fees to the extent you implement the financial plan through our portfolio management service.

#### Hourly Fees:

The hourly rate will be billed in six minute increments (1/10 of an hour) and based on the associate with whom you are working with, their experience level, and the scope and complexity of the engagement. The following hourly rates apply:

<b><u>Provider Type</u></b>	<b><u>Hourly Rate</u></b>
Wealth Manager	\$200 - \$350
Paraplanner	\$125 - \$200
Administrative Support	\$90 - \$125

For hourly arrangements, an estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. Fees are

due at the inception of the advisory relationship. We will not require prepayment of a fee more than six months in advance and in excess of \$500. Should the engagement last longer than six months between acceptance of financial planning/financial consulting agreement and delivery of the financial plan or the agreed upon service, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning/financial consulting services rendered to date.

*Fixed Fee (Project):*

We also offer our financial planning and financial consulting services on a fixed fee basis, which typically ranges from \$2,500 to \$10,000. Project fees take into consideration factors such as the estimated amount of time dedicated to the engagement as well as the complexity of the project and the clients financial profile. Our fees are negotiable depending upon the complexity and scope of the services, your financial situation, and your objectives. Note: Not all billable hours may be specifically tracked for fixed fee engagements. For our project based plans we require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered. We will not require prepayment of a fee more than six months in advance and in excess of \$500. Should the engagement last longer than six months between acceptance of financial planning/financial consulting agreement and the delivery of our financial recommendations and/or the agreed upon service, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning/financial consulting services rendered to date.

*Fixed Fee (Retainer):*

Clients who prefer an extended commitment to their financial planning and/or financial consulting services may prefer to engage the firm on a retainer fee basis. The fee for this ongoing service ranges from \$9,000 to \$24,000 per year and takes into consideration factors such as the complexity and the amount of time dedicated to the engagement, the associate with whom you are working with and their experience level, and other support services required (i.e., paraplanners, administrative staff, outside support staff, etc.). Our fees are negotiable depending upon the complexity and scope of the services, your financial situation, and your objectives. For our ongoing services we require that you pay 50% of the fee in advance. The remaining portion will be due 6 months from the date of entering the financial planning/financial consulting agreement. In limited circumstances, certain clients will be required to pay 50% of the fee in advance and the remaining portion of the fee may be paid quarterly in advance. We will not require prepayment of a fee more than six months in advance and in excess of \$500. Should the engagement last longer than six months between acceptance of financial planning/financial consulting agreement and delivery our financial recommendations and/or the of the agreed upon service, any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning services rendered to date.

*Termination of Financial Planning Services:*

You may terminate the financial planning and/or financial consulting agreement by providing written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement, which means you will incur advisory fees only for the services rendered. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

**Seminars and Workshops**

We may also assess a fixed fee for our educational workshops, that are payable by the individual attendee or the workshop sponsor, such as an association or employer. The fees range from \$25 to \$250 per workshop per attendee. The price per attendee depends on the length of the event, it's location and whether there are additional speakers. Attendee fees are due and payable in advance of the presentation. No refund will be provided unless the request is made at least 48 hours in advance of the scheduled seminar/workshops.

### **Selection of Other Advisers**

Advisory fees charged by TPMMs are separate and apart from our advisory fees. Assets managed by TPMMs will be included in calculating our advisory fee, which is based on the fee schedule set forth in the *Portfolio Management Services* section in this brochure. Advisory fees that you pay to the TPMM are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

You may be required to sign an agreement directly with the recommended TPMM(s). You may terminate your advisory relationship with the TPMM according to the terms of your agreement with the TPMM. You should review each TPMM's brochure for specific information on how you may terminate your advisory relationship with the TPMM and how you may receive a refund, if applicable. You should contact the TPMM directly for questions regarding your advisory agreement with the TPMM.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

### **State of California Required Disclosures**

While our firm endeavors at all times to offer clients specialized services at reasonable costs, the fees charged by other investments advisers for comparable services may be lower than the fees charged by our firm.

### **IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

An employee will typically have four options:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax professional.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your required minimum distribution beyond age 70.5.
6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of a capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Our fees are calculated as described in the *Fees and Compensation* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to individuals, high net worth individuals, estates and trusts, and corporations or other businesses entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

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

### Our Methods of Analysis and Investment Strategies

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

**Modern Portfolio Theory** - a theory of investment which attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, by carefully diversifying the proportions of various assets.

**Risk:** Market risk is that part of a security's risk that is common to all securities of the same general class (stocks and bonds) and thus cannot be eliminated by diversification.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Risk:** Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial information, liquidity needs and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. **It is important that you notify us immediately with respect to any material changes to your financial circumstances, including for example, a change in your current or expected income level, tax circumstances, or employment status.**

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party money managers. We primarily rely on investment model portfolios and strategies developed by the third party money managers and their portfolio managers. We may replace/recommend replacing a third party money manager if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

While we primarily offer advice on mutual funds and exchange traded funds ("ETFs"), we may also offer advice on other types of investments such as, bonds, equity securities, certificates of deposit, money market funds, real estate, real estate investment trusts, variable life insurance, variable annuities, and United States government securities. However, we may also advise you on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

**Bonds:** Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

**Stocks:** There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the

issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.

**Certificates of Deposit:** Certificates of deposit are generally the safest type of investment since they are insured by the federal government up to a certain amount. However, because the returns are generally very low, it is possible for inflation to outpace the return. Likewise, U.S. government securities are backed by the full faith and credit of the U.S. government but it is also possible for the rate of inflation to exceed the returns.

**Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some of or your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

**Variable Annuities:** A variable annuity is a form of insurance where the seller or issuer (typically an insurance company) makes a series of future payments to a buyer (annuitant) in exchange for the immediate payment of a lump sum (single-payment annuity) or a series of regular payments (regular-payment annuity). The payment stream from the issuer to the annuitant has an unknown duration based principally upon the date of death of the annuitant. At this point, the contract will terminate and the remainder of the funds accumulated forfeited unless there are other annuitants or beneficiaries in the contract. Annuities can be purchased to provide an income during retirement. Unlike fixed annuities that make payments in fixed amounts or in amounts that increase by a fixed percentage, variable annuities, pay amounts that vary according to the performance of a specified set of investments, typically bond and equity mutual funds. Many variable annuities typically impose asset-based sales charges or surrender charges for withdrawals within a specified period. Variable annuities may impose a variety of fees and expenses, in addition to sales and surrender charges, such as mortality and expense risk charges; administrative fees; underlying fund expenses; and charges for special features, all of which can reduce the return. Earnings in a variable annuity do not provide all the tax advantages of 401(k)s and other before-tax retirement plans. Once the investor starts withdrawing money from their variable annuity, earnings are taxed at the ordinary income rate, rather than at the lower capital gains rates applied to other non-tax-deferred vehicles which are held for more than one year. Proceeds of most variable annuities do not receive a "step-up" in cost basis when the owner dies like stocks, bonds and mutual funds do. Some variable annuities offer "bonus credits." These are usually not free. In order to fund them, insurance companies typically impose mortality and expense charges and surrender charge periods. In an exchange of an existing annuity for a new annuity (so-called 1035 exchanges), the new variable annuity may have a lower contract value and a smaller death benefit; may impose new surrender charges or increase the period of time for which the surrender charge applies; may have higher annual fees; and provide another commission for the broker.

**Real Estate:** Real estate is increasingly being used as part of a long-term core strategy due to increased market efficiency and increasing concerns about the future long-term variability of stock and bond returns. In fact, real estate is known for its ability to serve as a portfolio diversifier and inflation hedge. However, the asset class still bears a considerable amount of market risk. Real estate has shown itself to be very cyclical, somewhat mirroring the ups and downs of the overall economy. In addition to employment and demographic changes, real estate is also influenced by changes in interest rates and the credit markets, which affect the demand and supply of capital and thus real estate values. Along with changes in market fundamentals, investors wishing to add real estate as part of their core investment portfolios need to look for property concentrations by area or by property type. Because property returns are directly affected by local market basics, real estate portfolios that are too heavily concentrated in one area or property type can lose their risk mitigation attributes and bear additional risk by being too influenced by local or sector market changes.

**Real Estate Investment Trust:** A real estate investment trust ("REIT") is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

## Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## Item 10 Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker.
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

### **Arrangements with Affiliated Entities**

We are affiliated with Louis Barajas, Inc. through common control and ownership. Louis Barajas, Inc. is a knowledge product company that creates books, audio, videos, and workshops to inspire people to achieve their personal and small business goals. If appropriate and suitable for your needs, we may recommend that you use the services and/or purchase products through our affiliate. Our advisory services are separate and distinct from the compensation paid to our affiliate for their services and products.

We are affiliated with Business Management LAB, Inc., a business management firm, through common control. Clients of our affiliate may also be clients of our advisory firm. We will recommend that you use the services of our affiliate if appropriate for your needs. Our advisory services are separate and distinct from the compensation paid to our affiliate for their services.

These referral arrangements we have with our affiliated entities present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

### **Recommendation of Other Advisers**

We may recommend that you use a third party money manager ("TPMM") based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the TPMM for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended TPMM(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Block Trading**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Refer to the *Brokerage Practices* section in this brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We recommend the brokerage and custodial services of TD Ameritrade, Inc. ("Custodian"). In all cases, the recommended Custodian is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. We believe that the recommended Custodian provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by the Custodian, including the value of the Custodian's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of the services the Custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

### **Research and Other Soft Dollar Benefits**

We do not have any soft dollar arrangements.

### **TD Ameritrade Institutional**

We participate in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC ("TD Ameritrade"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from TD Ameritrade through our participation in the Program.

As disclosed above, we participate in TD Ameritrade's institutional customer program and we may recommend TD Ameritrade to you for custody and brokerage services. There is no direct link between our participation in the Program and the investment advice we give you, although we receive economic benefits through our participation in the Program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to your accounts); the ability to have advisory fees deducted directly from your accounts; access to an electronic communications network for order entry and account information;

access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit us but may not benefit your accounts. These products or services may assist us in managing and administering your accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by us or our personnel through participation in the Program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of our fiduciary duties to you, we endeavor at all times to put your interests first. You should be aware, however, that the receipt of economic benefits by us or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD Ameritrade for custody and brokerage services.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

### **Block Trades**

We combine multiple orders for shares of the same securities purchased for discretionary advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. Generally, participating accounts will pay a fixed transaction cost regardless of the number of shares transacted. In certain cases, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. In the event an order is only partially filled, the shares will be allocated to participating accounts in a fair and equitable manner, typically in proportion to the size of each client's order. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We do not block trade for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

## **Item 13 Review of Accounts**

### **Portfolio Management Reviews**

Louis Barajas, Managing Member, Chief Compliance Officer, and Investment Adviser Representative will monitor your accounts on an ongoing basis and will conduct account reviews at least quarterly, to ensure the advisory services provided to you are consistent with your investment needs and

objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or changes in your risk/return objectives.

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

We will provide you with additional or regular written reports in conjunction with account reviews. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, etc. You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

### **Financial Planning Reviews**

Louis Barajas, Managing Member, Chief Compliance Officer, and Investment Adviser Representative will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the planning advice made to you is consistent with your stated investment needs and objectives. Generally, we will contact you annually to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others. Where warranted, we will provide you with updates to the financial plan in conjunction with the review. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Such additional reviews and updates may be subject to our then current hourly rate. We will not provide regular written reports for financial planning and consulting services. If you implement financial planning advice through Wealth Management LAB™, you will receive trade confirmations and quarterly statements from relevant custodians.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

We will also provide invoices to you reflecting the amount of the advisory fee deducted from your account. You should compare our invoices with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, contact us immediately at the telephone number on the cover page of this brochure.

### **Check-Writing Authority**

Our firm may be deemed to have custody over certain advisory clients' assets if our firm or persons associated with our firm has signatory and check writing authority for advisory clients through our affiliated business (refer to *Other Financial Industry Activities and Affiliations* section above for more information on our affiliations). An adviser with authority to sign checks on a client's behalf has access to the client's assets, and therefore has custody of the clients assets in any related accounts. We have put controls in place, in compliance with state rules, to protect clients' assets over which we have custody. An independent qualified custodian (generally a financial institution) holds each client's assets - Wealth Management LAB™ does not act as custodian for any client. These accounts are maintained in the name of the client. The custodian, at least quarterly, sends account statements directly to the client. In addition, an independent accountant conducts annual surprise examinations of client accounts over which we have custody. Each year, the independent accountant chooses the date of the exam without prior notice to us and files a certificate with the State promptly following completion of the exam, describing the nature and extent of the exam.

### **Item 16 Investment Discretion**

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. We do not permit clients to impose any restrictions on a grant of discretionary authority. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

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

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies.

### **Item 18 Financial Information**

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you.

We have not filed a bankruptcy petition at any time in the past ten years.

## Item 19 Requirements for State-Registered Advisers

Refer to the Part(s) 2B for background information about our principal executive officers, management personnel and those giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice that is not already disclosed above.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Refer to the *Performance-Based Fees and Side-By-Side Management* section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings, or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

### State of California Required Disclosures

All material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

## Item 20 Additional Information

### Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been if the trading error had not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.



**Louis Barajas, CFP®**

**Louis Barajas, LLC  
d/b/a: Wealth Management LAB™**

**279 Downs Rd.  
Tustin, CA 92782**

**Telephone: 562-347-0070  
Facsimile: 562-347-0079**

**[www.labarajas.com](http://www.labarajas.com)**

January 16, 2017

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Louis Barajas that supplements Wealth Management LAB™ brochure. You should have received a copy of that brochure. Please contact us at 562-347-0070 if you did not receive the Wealth Management LAB™ brochure or if you have any questions about the contents of this supplement.

Additional information about Louis Barajas is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Advisor Search" link and search for "Individual" using Mr. Barajas' CRD number 1542714.

## Item 2 Educational Background and Business Experience

### Louis Barajas, MBA, CFP®, EA

*Year of Birth:* 1961

#### *Formal Education After High School:*

- Denver College for Financial Planning, Certified Financial Planner™ Certificate, 07/1990
- Claremont Graduate University, Drucker School of Management, MBA Business Management, 9/1984 - 5/1987
- University of California, Los Angeles, BA, Sociology, 9/1979 - 5/1984

#### *Business Background:*

- Louis Barajas founded Louis Barajas & Associates in 1991. Louis Barajas & Associates changed its name to Louis Barajas, LLC on May 21, 2012 and began doing business as Wealth Management LAB™ in 2014.

#### *Certifications: CFP®*

**The CERTIFIED FINANCIAL PLANNER™, CFP®** and federally registered CFP® (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

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. Currently, more than 63,000 individuals have obtained CFP® certification in the United States. 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 for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- 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,

including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and

- **Ethics** - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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.

### **Item 3 Disciplinary Information**

Form ADV Part 2B requires disclosure of certain criminal or civil actions, administrative proceedings, and self-regulatory organization proceedings, as well as certain other proceedings related to suspension or revocation of a professional attainment, designation, or license. Mr. Louis Barajas has no required disclosures under this item.

### **Item 4 Other Business Activities**

Louis Barajas is also the President of Louis Barajas, Inc., a business management and knowledge product company that creates books, audio and video tapes, and workshops to inspire people to achieve their personal and small business goals. If appropriate and suitable for your needs, Mr. Barajas may recommend that you use the services and/or purchase products through Louis Barajas, Inc. Our advisory services are separate and distinct from the compensation paid to Louis Barajas, Inc. Louis Barajas spends approximately 10% of his time in this business activity.

Louis Barajas is also involved in the business oversight of Business Management LAB, Inc., a business management firm. Clients of Business Management LAB, Inc. may also be clients of our advisory firm. Mr. Barajas may recommend that you use the services of Business Management LAB, Inc. if appropriate and suitable for your needs. Our advisory services are separate and distinct from the compensation paid to Business Management LAB, Inc. for their services. Louis Barajas spends approximately 30% of his time in this business activity.

### **Item 5 Additional Compensation**

Refer to the *Other Business Activities* section above for disclosures on Mr. Barajas's receipt of additional compensation as a result of his other business activities.

Also, refer to the *Other Financial Industry Activities and Affiliations* section of Wealth Management LAB™'s firm brochure for additional disclosures on this topic.

### **Item 6 Supervision**

Louis, as the founder and CEO, is the principal executive in Wealth Management LAB™ supervisory structure. Accordingly, he has direct or indirect supervisory authority over all of the firm's investment advisory representatives, including himself. He can be reached at 562-347-0070.

## **Item 7 Requirements for State Registered Advisers**

Louis Barajas has never been the subject of an arbitration, civil proceeding, self-regulatory proceeding, administrative proceeding, or a bankruptcy petition.



**Fernando Sanchez, CFP®**

**Louis Barajas, LLC  
d/b/a: Wealth Management LAB™**

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April 12, 2017

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Fernando Sanchez that supplements the Wealth Management LAB™ brochure. You should have received a copy of that brochure. Please contact us at 562-347-0070 if you did not receive Wealth Management LAB™ brochure or if you have any questions about the contents of this supplement.

Additional information about Fernando Sanchez is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Advisor Search" link and search for "Individual" using Mr. Sanchez' CRD number 6780242.

## Item 2 Educational Background and Business Experience

### Fernando Sanchez, CFP®

*Year of Birth:* 1989

#### *Formal Education After High School:*

- University of California, Los Angeles, Certified Financial Planner™ Certificate, 6/2016
- University of California, San Diego, BS Joint Major Mathematics and Economics, 2011
- Santa Monica College, AA Liberal Arts and General Science, 2009

#### *Business Background:*

- Louis Barajas, LLC d/b/a Wealth Management LAB™, Wealth Manager, 5/2015 - Present
- University of California, Los Angeles, Student, 9/2013 - 6/2016
- Bu Sung America Corporation, Accounting Assistant, 1/2014 - 4/2015
- Marriott International, Inc., Event Services, 11/2012 - 12/2013
- Junior Achievement of Southern California, Volunteer, 1/2012 - 1/2013

#### *Certifications:* CFP®

**The CERTIFIED FINANCIAL PLANNER™, CFP®** and federally registered CFP® (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

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. Currently, more than 63,000 individuals have obtained CFP® certification in the United States. 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 for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- 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, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

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.

### **Item 3 Disciplinary Information**

Form ADV Part 2B requires disclosure of certain criminal or civil actions, administrative proceedings, and self-regulatory organization proceedings, as well as certain other proceedings related to suspension or revocation of a professional attainment, designation, or license. Mr. Fernando Sanchez has no required disclosures under this item.

### **Item 4 Other Business Activities**

Fernando Sanchez is not actively engaged in any other business or occupation (investment-related or otherwise) beyond his capacity as Wealth Manager of Wealth Management LAB™. Moreover, Mr. Sanchez does not receive any commissions, bonuses or other compensation based on the sale of securities or other investment products.

### **Item 5 Additional Compensation**

Fernando Sanchez does not receive any additional compensation beyond that received as an Wealth Manager of Wealth Management LAB™.

### **Item 6 Supervision**

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Wealth Management LAB™, and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines.

My supervisor is: Louis Barajas, CEO

Supervisor phone number: 562-347-0070

## **Item 7 Requirements for State Registered Advisers**

Fernando Sanchez does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.